Daily Report

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FBIS-EEU-93-233 *7 December 1993*

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Serbian-Croatian Talks on POW Exchanges Held

AU0612152993 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 6 Dec 93

[Report by Natasa Ojdanic from Geneva]

[Text] Talks between the delegations of the Federal Republic of Yugoslavia [FRY] and Croatia at deputy prime ministerial level opened in the International Red Cross premises at noon today. The topic of the meeting, which was initiated by Cornelius Sommaruga, head of the International Red Cross, is the realization of the Geneva and Budapest Agreements on the exchange of prisoners of war and the search for missing persons. Wide humanitarian issues will also be discussed.

The delegation from the FRY, which is led by Deputy Prime Minister Zeljko Simic, also includes Federal Minister for Health Velibor Popovic, Assistant Foreign Minister Nikola Cicanovic, Margit Savovic, federal minister for human rights and minorities, and Colonel Miodrag Starcevic.

This is the first such meeting since the signing of the agreement on the exchange of prisoners of war in Budapest on 7 August last year between the then Yugoslav Prime Minister Milan Panic and Croatian Prime Minister Mate Granic.

Yugoslav Deputy Prime Minister Zeljko Simic told your reporter at the Geneva airport that our delegation will demand that the Croats observe the Geneva and Budapest agreements. The Yugoslav side is asking Croatia to release about 1,000 prisoners of war. Nothing is known about them at present. The Yugoslav side will also demand detailed information on the missing persons. It will also point out to the International Red Cross that Croatia is also obliged to fulfill all provisions contained in the two agreements, which the Yugoslav side has realized in many respects.

Deputy Prime Minister Simic believes in the positive outcome of today's talks, which, as he said, represents a sign and an attempt to normalize relations between Belgrade and Zagreb.

'Tangible' Results in Geneva

AU0612214493 Belgrade Radio Beograd Network in Serbo-Croatian 2100 GMT 6 Dec 93

[Text] The Yugoslav-Croatian talks, which started in the International Red Cross offices in Geneva at noon today, should end later tonight. Deputy Federal Prime Minister Zeljko Simic, who is leading the Yugoslav delegation, told TANJUG this evening that, in the eight-hour talks with the Croatian delegation on the realization of the Budapest agreement, some very tangible and encouraging results have been achieved.

In the talks with Croatian Deputy Prime Minister Ivica Kostovic and Cornelius Sommaruga, president of the International Red Cross, we found some practical solutions, Simic stressed. Simic said that the Croatian delegation gave assurances for the first time that it will fulfill all the obligations contained in the agreement signed in Budapest, and that it will offer all information on the citizens of the Federal Republic of Yugoslavia missing in Croatia by 20 December.

According to the deputy federal prime minister, the two delegations will hold another meeting in Geneva at the beginning of January next year to start working on individual cases from the lists of the missing and imprisoned.

Croatia to Meet Obligations

LD0612214393 Belgrade TANJUG in English 2117 GMT 6 Dec 93

["Pool" item]

[Text] Geneva, December 6 (TANJUG)—For the first time, Croatia has provided assurances that it will meet all the obligations stemming from the agreement reached in Budapest last year with the Federal Republic of Yugoslavia (F.R.Y.) on exchanging prisoners of war and searching for missing persons, Yugoslav Vice-Premier Zeljko Simic said on Monday.

After talks between the Yugoslav and Croatian delegations on the realization of the Budapest agreement and after the Geneva agreement was reached, Simic said that the Croatian side had also promised to provide all information on Yugoslav citizens registered as missing in Croatia by December 20th this year.

The talks between Yugoslavia and Croatia, which began on Monday with the mediation of the International Committee of the Red Cross (ICRC), are the first of this kind since the Budapest agreement was signed on August 7, 1992 between then prime ministers Milan Panic of Yugoslavia and Franjo Gregoric of Croatia.

For a full 15 months, Croatia had been refusing to meet its obligations stemming from tme agreement and the Geneva Convention on the release of prisoners of war and the search for missing persons, exhumation of bodies, and other humanitarian issues.

The Yugoslav Government is asking that Croatia release 1,000 prisoners of Serb nationality, including 200 Yugoslav citizens, from camps and prisons in Croatia.

Simic said that the talks in Geneva with Croatian Vice-Premier Ivica Kostovic and ICRC President Cornelio Sommarruga had provided very tangible and encouraging results.

Simic said that the delegations would meet at the same level in Geneva in early Januaqy next year to start work on resolving individual cases from the lists of missing and imprisoned persons. Simic said that the Yugoslav side had mostly fulfilled its obligations stemming from the Budapest agreements.

Turkey's Cetin Arrives on First Leg of Tour

Comments on Visit

TA0612162993 Ankara ANATOLIA in English 1440 GMT 6 Dec 93

[Text] Tirana, Dec 6 (AA)—Foreign Minister Hikmet Cetin who on Monday started his visit of the Balkan countries said that Turkey is willing to contribute to peace and stability in the Balkans. Cetin arrived in Albania on the first leg of his tour and was met at Tiran Airport by his counterpart, Alfred Serreqi. After a face-to-face meeting between the two ministers, official talks started between the delegations of both countries.

Cetin said relations with Albania have always been positive and both countries share the same historical and cultural ties. Earlier Cetin told reporters in the plane carrying him to Albania that this country is going through a transitional stage, adding that Turkey is doing its best to contribute to its efforts.

He said that during his visit, possibilities of cooperation will be discussed with Albanian officials, adding that Turkey has no expansionist policy towards any of its neighbours in the Balkans.

"Turkey wants to contribute to peace and stability in the Balkans and is following a very stable foreign policy in this region. Turkey also wants to contribute to a solution to the conflict in Bosnia-Herzegovina," Cetin told reporters.

Referring to the situation in the former Yugoslav republic, he said it is unfair that while the Muslims are without heavy artillery, the Serbs are heavily equipped with it. "Turkey appealed to the world nations saying if they cannot solve the conflict, at least the arms embargo should be lifted," he said adding unfortunately it did not happen.

Cetin also said that efforts will continue in terms of diplomatic initiatives to curb the terrorist organizations' activities abroad that are targeting Turkish interests there.

Promises Help With NATO

AU0612170193 Paris AFP in English 1559 GMT 6 Dec 93

[Text] Tirana, Dec 6 (AFP)—Turkey plans to help Albania integrate into NATO, said Turkish Foreign Minister Hikmet Cetin during a day-long visit here at the start of a tour of the Balkans.

Cetin, who will go to Macedonia on Tuesday [7 December] and Bulgaria on Wednesday, met with his Albanian counterpart Alfred Serreqi, and was due to hold talks with President Sali Berisha and Prime Minister Aleksandr Meksi. He came here with a delegation of Turkish businessmen.

Turkey plans to boost its aid to Tirana with 15 million dollars more in credits, Turkish delegation sources said. It has already given 30 million dollars in humanitarian aid to Albania since the fall of the communist regime there in 1991.

Cetin raised several cooperation projects with Serreqi, notably the construction of a highway between Istanbul and the Albanian port of Durres, revamping Albanian train lines and modernizing the port at Durres, the sources said.

Turkey has been a big backer of Albania since the fall of communism, not only with humanitarian and technical aid but offering cooperation in other areas including military. Tirana has regularly cited what it calls threats from the war in neighboring Yugoslavia.

Serreqi Cited on Relations

AU0712095593 Tirana ATA in English 0910 GMT 7 Dec 93

[Text] Tirana, December 7 (ATA)—"We can hardly find any question which we have not discussed or on which we have not agreed," Albanian Foreign Minister Alfred Serreqi said before official talks between the two delegations started. "There is no need for any historical reference between our two peoples," Mr. Serreqi said, stressing the affirmed close relations existing between Albania and Turkey. The Turkish minister added the relations by blood between the two peoples, stressing the fact that "all cities of Albania are known in Turkey."

In an intimate atmosphere started the first round of official talks between the delegations of the Foreign Ministries of Albania and Turkey. They concentrated on the bilateral political, economic, cultural, scientific, educational and other relations about which the two sides expressed their commitment to carry them forward.

"The question of the Balkans cannot be solved without the active presence of Turkey," Mr. Serreqi said, adding that "Albanian-Turkish relations are in the interest of peace and stability in our region." In this context, both sides appreciated the activity of the two states in the framework of the economic cooperation of the Black Sea. Albanian minister asked that an agreement must be soon signed between the two countries about the lifting of double taxation.

"Political stability of Albania sets an example to other countries," Mr. Cetin said. He expressed the commitment of his country to support Albania in its integration in international organizations, especially in the NATO. The Turkish side promised a supplementary credit of $15 million, along with continuous humanitarian aid. Stressing that the construction of the Durres- Skopje-Sofia-Istanbul highway should be started as soon as possible, the Turkish minister proposed a meeting of the ministers of constructions of the 4 countries and also the participation of Italy in this project. He voiced the readiness of the Turkish Government to help Albania in

many sectors such as streets, railways, the port of Durres, telecommunication, technical assistance in all the fields. "In the future too, Turkey will do everything for the Albanian people," Mr. Hikmet Cetin said. He pointed out that Albanian people are living in "the most critical zone of the Balkans," adding that "the Balkans needs peace and stability, so do we".

Cooperation, Kosova Discussed

AU0712104493 Tirana ATA in English 0932 GMT 7 Dec 93

[Text] Tirana, December 7 (ATA)— President Berisha expressed his pleasure for the visit of the Turkish foreign minister to Albania and considered it a further step in the intensification of the very friendly and fraternal relations with Turkey. "Cooperation with your country is an important priority of the Albanian policy in the region", Mr. Berisha said to Mr. Cetin.

The Turkish minister said that "Albania is for us not simply a friendly country, but a country with which we have relations by blood as well. We have no problems in our relations and we should work to promote cooperation in all the fields.

Further on they talked about the project for the construction of the Albania-Macedonia-Bulgaria-Turkey highway. They stressed that in this regard, the ministers of transport should meet regularly to discuss about cooperation in telecommunication, facilities for the movement of passengers and other points. Mr. Berisha and Mr. Cetin also discussed in particular cooperation in the military field.

President Berisha stressed the desire of Albania to integrate in the NATO as soon as possible. The new forms proposed for cooperation should contain more elements of security for the countries that make efforts for peace.

Mr. Cetin said that the North Atlantic Alliance should expand and that Turkey supports Albania's membership in it, and this is a request which Turkey has made earlier than other countries. Minister Cetin valued the policy and efforts of Albania for peace and stability in the region and stressed that Albania has Turkey's full support in this direction.

The Turkish minister expressed his concern over the situation in Kosova and informed Mr. Berisha of his efforts to prevent the expansion of the conflict in the south. "If it happens, this will bring about war in our region," he said.

After stressing the need of a political solution in Kosova, Mr. Berisha said that the EC sanctions against Serbia are indispensable until Serbia accepts this solution. We are for dialogue and agreements, but we shall resist a massacre as a nation," he said. Both sides had the same opinion about the situation in the region and stands towards it.

The Turkish foreign minister conveyed to President Berisha the greetings of President Demirel and gave him a letter from Premier Tansu Ciller.

Meksi Meets With Cetin

AU0712104993 Tirana ATA in English 0926 GMT 7 Dec 93

[Text] Tirana, December 7 (ATA)— On December 6 Premier Meksi received the Turkish foreign minister, Mr. Hikmet Cetin.

After expressing his thanks and pleasure for the meeting, Mr. Cetin conveyed to Premier Meksi the greetings and cordial wishes from his Turkish counterpart, Ciller. "Your official visit to Turkey," Mr. Cetin said, "was short but fruitful. We would like these high ranking meetings be repeated because Albania and Turkey are countries without any problem between them and which besides historical, cultural and other relations they also have relations by blood as well."

Mr. Meksi expressed to Mr. Cetin the gratitude of the Albanian people and government towards the friendly Turkish people and the Turkish Government for the aid to Albania to overcome the difficulties of the transition period. "I am sure that in the future too," Mr. Meksi stressed, "the two countries will not lack the sincere will for close cooperation between them."

Further on Mr. Meksi and Mr. Cetin discussed concrete possibilities of bilateral cooperation in the field of transport and telecommunications, the realisation of the project for the construction of the Durres-Scoplje-Sofia-Istanbul highway, acceleration of the process regarding the credit of $15 million that Turkey has accorded to Albania, expansion of trade, the question of lifting of double taxation and other questions.

Discussing the situation in the region, Mr. Meksi said that Albania shows interest for peace in the Balkans and especially the good relations with neighbours, therefore its policy is peaceful and just. Mr. Cetin supported Mr. Meksi and stressed that the conflict should spill over to Kosova. "In this regard," he added, "we have warned all international institutions." Mr. Cetin said that Turkey is satisfied with Albania's dialogue with Greece and it considers useful the cooperation among the Balkan countries.

Cetin Ends Visit, Comments

TA0712071793 Ankara Turkiye Radyolari Network in Turkish 2100 GMT 6 Dec 93

[Excerpts] Turkish Foreign Minister Hikmet Cetin has stated that Turkey is refraining from acts that may exacerbate the tension with Greece and expects the same from Greece. Yavuz Yorulmaz reports from Tirana:

[Yorulmaz] Cetin, who has ended his contacts, gave a joint news conference with Albanian Foreign Minister

Alfred Serreqi in which he assessed his visit and answered journalists' questions.

In answer to a question on relations with Greece, Cetin replied that he is in favor of resolving the conflict with Greece through dialogue. Cetin said: We do not believe the conflict with Greece can be resolved by inciting public opinion. We are in favor of solving the problems by participating in a dialogue, and we believe behavior outside this framework is not beneficial to the people of both countries. Cetin pointed out that the new threshold system implemented in Greece following the last elections made it impossible for independent candidates to be elected to parliament. Cetin stressed that the people who make up the minority in Western Thrace are also Greek citizens, adding that they should also enjoy human rights.

In answer to a question on the situation in Bosnia-Herzegovina, Cetin replied that the spread of war poses a great danger to the region, as well as all of Europe. Pointing out that Turkey has warned the world and international organizations about this imminent danger, Cetin stated that it sees the advantage of a just and peaceful solution to the Bosnia-Herzegovina issue, adding that the opposite might mistakenly be understood by the aggressor as encouragement.

Cetin stated that the Balkan countries seek peace and stability, adding that Turkey feels responsible toward the whole region on this issue. [passage omitted]

In his speech, Cetin stressed Turkey's determination to develop cooperation with Albania in all areas, adding that Turkey will continue extending humanitarian aid to this country. Cetin will depart for Macedonia, the second leg of his Balkan tour, tomorrow morning.

FRY's Kontic Thanks Berov for Sanctions Stance

AU0412172093 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 4 Dec 93

[Text] Official talks between FRY Prime Minister Radoje Kontic and Bulgarian Prime Minister Lyuben Berov have ended in the Villa Biliyana in Sofia. The talks have been assessed as positive and constructive. Here is a report by Dragoljub Stankic:

[Begin recording] [Stankic] Official talks between Bulgarian Prime Minister Lyuben Berov and FRY Prime Minister Radoje Kontic lasted approximately two hours. After the talks ended, the prime ministers each made a brief statement to correspondents. The main assessment is that both sides evaluated the talks positively, particularly the part regarding the possibility of the sanctions against Yugoslavia being lifted or alleviated. Prime Minister Lyuben Berov particularly pointed out that Bulgaria is not interested in the situation in Yugoslavia to further aggravate fuel supplies. We are interested in living in peace with the neighboring Serbia and Yugoslavia, and we are, therefore, going to do everything possible to have the sanctions alleviated because, as Prime Minister Berov pointed out, they are affecting Bulgaria as well.

Prime Minister Lyuben Berov also said that Bulgaria had to support the sanctions—that is, Resolution 820 of the Security Council—but has done so with much difficulty. Despite this, Bulgaria is aware of the fact that these are sanctions against a friendly neighboring country and will support any proposal that aims at limiting or lifting the sanctions, Prime Minister Lyuben Berov said in his statement to correspondents.

Expressing thanks to Prime Minister Berov for the invitation and friendly meeting, FRY Prime Minister Radoje Kontic pointed out that the talks mostly concentrated on three groups of issues:

[Kontic] [Words indistinct] questions concerned our bilateral relations. You know very well that the UN sanctions represent an obstacle to the development of these bilateral relations. Bulgaria [word indistinct] implements these sanctions. However, we are convinced that these sanctions will soon be lifted, alleviated, or suspended, so we have agreed to take all measures—normative measures, material, legal, and so on—whereby we would create all the conditions for cooperation to be [word indistinct] development after the sanctions are lifted. Within the framework of this bilateral cooperation, we also spoke about the position of the Bulgarian minority in Yugoslavia and stated that the highest CSCE standards are being implemented regarding the national minorities in Yugoslavia and that the Bulgarian national minority, with whom I had the pleasure to talk with in Dimitrovgrad yesterday, in fact has no special problems [words indistinct] realizing such rights of national minorities.

I, of course, would like to take this opportunity to express my gratitude to the Bulgarian side for what it has done so far and for what it is doing at this moment with its demands to the UN Committee for Sanctions, as well as for what we agreed should be done in the future.

[Stankic] Prime Minister Lyuben Berov hosted a festive luncheon for FRY Prime Minister Radoje Kontic, and as envisaged by the program of the visit, the two delegations are going to visit the Aleksandur Nevski Church in Sofia this afternoon. [end recording]

Press Comments on Kontic's 'Unofficial' Visit

AU0412183093 Sofia BTA in English 1750 GMT 4 Dec 93

[From BTA's 4 December "Press Review"]

[Excerpt] Sofia, December 4 (BTA)—The press today reports the unofficial visit here by Prime Minister Radoje Kontic of the Federal Republic of Yugoslavia, who arrived in Sofia last night accompanied by members of his cabinet and senior government officials. At a working meeting today Prime Ministers Kontic and Berov are expected to discuss the situation in the Balkans and transit shipments of Bulgarian humanitarian goods via Serbia/Montenegro, say dailies.

The private STANDART NEWS quotes the Bulgarian Socialist Party [BSP] International Relations Department as saying that Tomislav Rajicevic, minister without a portfolio and member of the Serbian Socialist Party, asked to meet privately with BSP leaders.

The daily of the Union of Democratic Forces (SDS) DEMOKRATSIYA and the private KONTINENT and 24 CHASA say that on his way to Bulgaria Mr. Kontic visited Dimitrovgrad but in stead of having a scheduled meeting with representatives of the Democratic Union of Bulgarians in Yugoslavia, he only conferred with local government and Socialist Party officials. According to 24 CHASA, Dimitrovgrad Mayor Nikola Stoyanov said that the town, 90 percent of whose inhabitants are Bulgarian, speaks neither Serbian, nor Bulgarian, but a Sofia district dialect. Local businessmen asked Kontic to arrange the export of their goods for and via Bulgaria, but the premier said this would violate the embargo, says 24 CHASA. It says Kontic stressed he would only hold talks with Berov on a transit corridor for Bulgarian goods via Serbia.

A signed comment in KONTINENT, headlined "Talks Not Under Embargo," stresses the importance of the current negotiations between the Bulgarian and Serb prime ministers. "After a series of false starts, representatives of the neighbouring countries will at last hold negotiations at a level allowing a settlement of burning issues for both," says the comment. According to the author, "Sofia justified its shyness with the UN sanctions on Belgrade, but no documents of the international organization ban contacts with Serbia's elected government and it is another matter that third countries are interested in weakening economic ties between Bulgaria

and Serbia to capture markets in both states," the signed comment in KONTINENT also says.

"Yugowar's Other Face" is the heading of a signed report in the Bulgarian Socialist Party daily DUMA,, tells about the life of Bulgarians in Serbia. The author says Bulgarians in Serbia are suffering the war and embargo in the same way as Serbs. [passage omitted]

Zhelev Asks Turkey for Support in Joining NATO

AU0612183293 Sofia OTECHESTVEN VESTNIK in Bulgarian 2 Dec 93 p 1

[BTA report: "Zhelyu Zhelev Seeks Support in Ankara"]

[Text] In a message to Turkish President Suleyman Demirel, Bulgarian President Zhelyu Zhelev requested Ankara's support for Bulgaria's efforts to develop a partnership with NATO, AFP reports, quoting an announcement of the Turkish Presidency. It was announced that the message was conveyed by Bulgarian Deputy Foreign Minister Dimitur Ikonomov, during his visit to Ankara.

In his message, Zhelev "calls upon Turkey to support, within the framework of the friendly Bulgarian-Turkish relations, Sofia's demand to develop a partnership with NATO," AFP quotes the Turkish Presidency, pointing out that, in its 30 November announcement, the Turkish Ministry of Foreign Affairs reported the message, but did not reveal its contents. Tomorrow, the ministers of foreign affairs of the NATO member countries will meet in Brussels in order to discuss the U.S. "Partnership for Peace" project, which aims to develop a closer association between NATO and the European countries that are not NATO members, such as Russia, AFP points out.

Next week, Turkey's Foreign Minister Hikmet Cetin will visit three Balkan countries, REUTER reports, quoting Ferkhat Ataman, spokesman of the Turkish Ministry of Foreign Affairs. On 6, 7, and 8 December, Cetin will visit Albania, Macedonia, and Bulgaria respectively. Ataman pointed out that the "goal of the talks will be to improve relations in all areas with the three countries, as well as to exchange opinions on a broad range of issues related to regional and international issues."

Union Leader, Matinchev Discuss Miners' Demands

AU0612211293 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 6 Dec 93

[Text] Evgeni Matinchev, deputy chairman of the Council of Ministers, met Professor Krustyu Petkov, chairman of the Confederation of Independent Trade Unions in Bulgaria [KNSB] today.

As Mr. Matinchev himself declared, he asked Mr. Petkov the sharp question of whether the miners' strike is actually aimed at solving economic problems or at overthrowing the government. Prof. Petkov denied that the KNSB was trying to overthrow the government. The opposite is true, because the trade unions are supporting the government, he said. During the talk, the two officials decided that the solution of the miners' problems should be speeded up.

The talk did not touch on the essential points and the atmosphere was rather tense, KNSB Deputy Chairman Zhelyazko Khristov stated in briefing the media about the KNSB leader's view on his meeting with Deputy Prime Minister Matinchev.

KNSB leader Prof. Krustyu Petkov and his deputy Zhelyazko Khristov consecutively met Mr. Zhan Videnov [chairman of the Bulgarian Socialist Party Supreme Council], Mr. Filip Dimitrov [chairman of the Union of Democratic Forces National Coordinating Council], and Mrs. Anastasiya Mozer [leader of the Bulgarian National Agrarian Union]. The political leaders were briefed on the problems of the striking miners and on the KNSB approach to the country's socioeconomic situation.

Over 17,000 mining workers are currently on strike, according to data provided by the KNSB Miners' Federation Strike Committee.

The workers of the Maritsa East, Bobov Dol, and Pernik mining enterprises are ready for strike actions on Friday, 10 December, in accordance with the Law on Settling Labor Disputes, as Petyo Popadyin, the Federation's Strike Committee chairman, announced at a briefing today. According to him, the miners of Luki, Rudozem, Madan, [name indistinct] Kurdzhali, and Zlatograd are on a full day strike.

The uranium mining workers are ready for effective strike actions starting tomorrow [7 December], while the KNSB Strike Committee is calling for a protest rally of miners in Sofia to be held on Thursday.

EU Council Approves Interim Trade Agreement

AU0712105093 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 7 Dec 93

[Text] The main piece of news of the day is one that we received literally minutes ago. According to information supplied by Bulgaria's permanent representation at the European Union [EU] in Brussels, the EU Council has approved the interim agreement on trade and associated issues between Bulgaria and the EU. The EU Council also adopted a decision that the delay in the agreement coming into force should not lead to disruptions in the plan for liberalization defined in the Copenhagen accords. This decision was made having Bulgaria's economic situation in mind.

Zhelev Supports Declassifying Personal Files

AU0712091693 Sofia BTA in English 1936 GMT 6 Dec 93

[Excerpts] Sofia, December 6 (BTA)—President Zhelev's position on declassifying police files remains

unchanged, presidential adviser Georgi Georgiev-Gesh told a news conference today. Dr. Zhelev is strongly in favour of the full transparency of the record of people governing Bulgaria in the process of democratization. The president hopes that an adequate procedure for the opening of police files will be worked out so as to avoid damaging the reputation of innocent people.

Simple ethics requires those aiming at high positions to open their police files, Milan Drenchev, leader of the extraparliamentary Nikola Petkov Agrarian Party, said at a news conference today. Mr. Drenchev is pleased with the principled views on the matter voiced by both the Bulgarian) Socialist Party and the Union of Democratic Forces.

Bulgaria's request for a transport corridor through Serbia, submitted to the Security Council, met with certain understanding because Bulgaria posed a pressing problem - the transportation of perishables, Romania's Foreign Minister Teodor Melescanu says in an interview in ADEVARUL of Bucharest. According to him, the request does not run counter to the Bulgarian-Romanian-Greek initiative for compensation of the losses caused to the three Balkan countries by the embargo. Mr. Melescanu says Romania will also seek to resolve separately certain problems in its relations with Serbia/Montenegro in the context of the UN sanctions. Romania will ask the UN for permission to supply to Serbia humanitarian aid, including fuels and food, in the winter. [passage omitted]

BNB Governor Denies 'Clandestine' Privatization

AU0612210393 Sofia BTA in English 1703 GMT 6 Dec 93

[Text] Sofia, December 6 (BTA)—"There is no proof of large-scale 'clandestine privatization' in banking," Prof. Todor Vulchev, governor of the National Bank of Bulgaria (BNB), told the press today. A commission of BNB experts, headed by Prof. Vulchev, drew up a white paper covering all changes in the state holding in the banks from their founding until June 1993. Attempts at privatization through issue of new shares without the central bank's permission were registered in Ts-Bank [name as published], Agrobusiness Bank, the Bank for Agricultural Credit, Dobrudzha Bank, First East International Bank, Kristalbank-Madan, Businessbank- Petrich, Balkanbank and Biokhim Bank. All attempts were foiled though in some cases the central bank failed to intervene quickly enough, Prof. Vulchev said. The government, the Prosecutor's Office and the BNB Governing Board will have the final say on the measures to be undertaken in these cases.

A month ago M.P.'s charged that the BNB Governing Board had concealed information on clandestine privatization in banking.

Bratinka Comments on NATO, Russian Stance

AU0612125293 Prague CESKY DENIK in Czech 4 Dec 93 p 2

["(cip)"-signed report: "Russia Should Reconsider its Position on the Czech Republic's Admission to NATO"]

[Text] Prague—Pavel Bratinka, deputy foreign minister and deputy chairman of the Civic Democratic Alliance, is of the opinion that Russia should reconsider its position on the Czech Republic's admission to NATO.

According to Bratinka, if Russia does not change its position, the status quo will be preserved. In this connection, Bratinka said that if the Czech Republic joined NATO, the size of the population of the NATO members would increase by a mere 1.3 percent, and the military potential would increase by a similar percentage. Deputy Bratinka also said that there are two countries between the Czech Republic and Russia. He was thus reacting to Russia's fears that the power stability could be upset and Russian security threatened. In Bratinka's opinion, there is one more reason why Russian security would not be threatened: NATO has never threatened Russia in any way. "There is no evidence, no event in the last 50 years that would raise suspicion that NATO is a threat to anyone. On the contrary, NATO had to defend itself against aggressors threatening the principles of the Euro-Atlantic civilization," Pavel Bratinka added.

Dlouhy Views International Trade Relations

AU0612132893 Prague HOSPODARSKE NOVINY in Czech 25 Nov 93 p 9

[Article by Industry and Trade Minister Vladimir Dlouhy: "The European Community Is a Liberal Partner"]

[Text] The access of Czech goods to the European Community [EC] markets is regulated by the Interim Treaty on Trade and Trade Affairs between the Czech and Slovak Federal Republic and the EC, which was concluded on 16 December 1991 and entered into force on 1 March 1992. The Czech Republic's succession is mentioned in the so- called supplementary protocol, initialed on 16 July 1993. The Interim Treaty is asymmetrical—to the benefit of the Czech Republic. This means that concessions on imports granted by the EC are greater and will be implemented sooner than the concessions granted by the Czech Republic to the EC. This asymmetrical character of the treaty has even been strengthened by the concessions that the EC granted to the Czech Republic following the EC summit in Copenhagen on 21 and 22 June 1993

Industry

In most cases there are no quotas or duty on the import of Czech goods to the EC. On certain "sensitive" industrial products, so- called customs quotas and customs limits have been imposed. They do not represent limitations on Czech goods, however. Until these quotas and limits are reached, goods are imported duty free, and only then are they subject to duty. Moreover, in 1993, duty rates have been reduced to 70 percent of their original level.

Steel Production

There was a sharp increase in 1992 exports against 1991 (exports almost doubled), which is a consequence of liberalization. Owing to this fact, the EC adopted protective measures in August 1992. Quotas (for the rest of 1992) were set up for selected steel products. In order to sort out the situation in the Czech Republic's and the Slovak Republic's imports between 1993 and 1995, the joint EC and Czech-Slovak Committee fixed quotas on seven types of steel products. The level of Czechoslovak imports in 1991 was taken as a basis for calculating these quotas, which increased by 35 percent in 1993. Until the quotas are met, the duty on imports from the Czech Republic will remain at 60 percent of the basic level in 1993. There is a so-called supplementary duty amounting to 25 percent—or 30 percent, depending on the product—on imports exceeding these quotas. In 1994 and 1995, the quotas will be increased by between 17 to 40 percent and, at the same time, duty will be reduced. On 31 December 1995, the duty on all steel products from the Czech Republic will be abolished.

Textiles

There are quotas on only 25 categories of textile products in 1993 to 1997. We have to say that since 1987, when the original treaty on textiles was concluded (for 44 categories, at that time), Czech exporters and manufacturers have never completely exhausted these quotas. In 1992, between 18 and 97 percent of these quotas were filled. The duty on textile products is being reduced by one- seventh every year and will be completely phased out on 21 December 1996.

Agriculture and Food

There are quotas on 21 types of agricultural and food products. These quotas were increased by an additional 10 percent on 1 July 1993 (following an increase of 20 percent on 1 January). At the same time, duty and compensation deliveries [kompensacni davky] were reduced by 60 percent on 1 July 1992 instead of 1 January 1994. I have to say that these products represent only 7 percent of overall exports. The three groups of products mentioned above (textiles, steel, and agricultural products)—on which the EC imposed certain import restrictions—represent only a smaller part of the Czech Republic's exports to the EC (in 1992, their share was 31.2 percent). Most of Czech exports to the EC have been fully liberalized. Therefore, it would be an exaggeration to speak about growing protectionism on the part of the EC against the Czech Republic's exports. The opposite is true. After Slovakia, the EC is our most liberal partner regarding Czech imports.

Agreement between the European Free Trade Association [EFTA] and the Czech Republic

The agreement between the EFTA countries and the Czech Republic has established a free trade zone between the contracting parties. The concessions made in the agreement are asymmetric and provide advantages to the Czech Republic. Despite the fact that the agreement gives an advantage to our products, we have to face protectionist measures that obstruct the export of some Czech products to Austria. Among the advanced countries, Austria is the second most important trading partner of the Czech Republic. Moreover, Austria has a large trading surplus with the Czech Republic. Austria has recently introduced quotas on the import of cement and industrial fertilizers from the Czech Republic (and other former socialist countries). Legal proceedings with regard to dumping agricultural machines and tractors are currently under way. It is being considered that similar proceedings should be initiated in the case of PVC, Europellets [europalety], and steel. This is mainly because of the relatively low prices for the products imported from the Czech Republic and their sharply increasing volume, which was really the case in 1990 and 1991. We are holding bilateral talks with Austria, as well as within the EFTA and GATT framework. Our objective is to remove the quotas on Czech imports.

We have to say that, owing to the changing situation, certain prices for exported goods have already been increased; however, the volume of exports have declined as a result. In the court proceedings concerning dumping, the Czech Republic has been successful in proving that its export prices are not dumping prices. Despite the fact that these proceedings have their objective rules, we must not forget that the application of charges on dumping is also a political act. Small markets, such as Austria's, cannot absorb large quantities of goods, particularly during a recession such as the current one. The increased volume of "cheap" imports has a negative impact on local production, creates social pressures, and fuels resistance toward so-called "social dumping." One of the ways to do away with "cheap" imports—which were against the interests of manufacturers and contractual exporters—is to impose a licensing regime on certain sensitive items (agricultural machines, tractors, and industrial fertilizers).

By adopting applicable legal standards (the anti-dumping law), the Czech Republic will enable itself to take measures to protect its own market in conformity with generally valid and recognized standards as mentioned in international treaties to which the Czech Republic is a party. This should apply, for instance, to obviously subsidized goods from developed countries (and, in the future, from countries with a transitional economy).

Partial Limitations

The limited access of textile products to markets in the United States, Canada, or Norway, can be understood as protectionism, but not as a discrimination against Czech importers. With these countries, the Czech Republic (and other exporters as well) is concluding self-limiting [autolimitacni] agreements specifying the categories of products that are imported under this regime, quotas, and other conditions by which exports are regulated. In this connection, we can say that we have gained an advantage in the form of a full liberalization of steel imports after the last self- limiting agreement expires on 31 March 1992. When listing protective measures applied by the United States toward the Czech Republic and other suppliers, we can also mention restrictions on imports of certain types of cheese.

The anti-dumping measures applied by Canada against steel imports from the Czech Republic (and other countries)—which has an impact on our exports—cannot be considered as protectionism.

The Visegrad Group

The Visegrad countries signed the Central European Agreement on Free Trade on 21 December 1992. This agreement was temporarily implemented on 1 March 1993 and is an expression of the Czech Republic's efforts to participate in integrational processes in Europe. The Czech Republic's goal is gradually to remove obstacles to mutual trade between participating countries in conformity with GATT. No later than on 1 January 2001, all tariff-based and non- tariff obstacles to trade in industrial products (with the exception of car imports to Poland) will be removed. In view of the specific character of the agricultural sector, the full liberalization of trade in agricultural products is not being anticipated. However, the agreement also provides for this possibility. When negotiating the agreement, we stressed the global balance of the concessions. This was because the Czech Republic—or the Slovak Republic, as the case may be—has a lower average custom incidence [celni incidence] (70) than Hungary (12 percent) and Poland (16 percent) [figures as published]. The process of gradually removing customs obstacles in these countries will be more dynamic than in the Czech Republic. On 1 March 1993, duty was removed on between 20 to 25 percent of industrial products in trade with Poland and Hungary. In addition, there is extensive discussion—in accordance with the Joint Declaration issued in Krakow—on cutting the transitional period from eight to five years.

In addition to the customs union with Slovakia, there are good conditions for the development of trade on a mutually advantageous basis in this region. Czech producers in Poland and Hungary have similar conditions to those in the EC countries.

However, the reality is that even these countries have imposed relatively high duties, which may cause problems for Czech exporters. For instance, a duty has been imposed on Karosa buses imported to Poland. Since we

wanted to reach a compromise and an overall balance in concessions, we had to allow such exceptions when concluding the agreement.

Our partners have recently introduced protective measures. Poland adjusted its customs rates on 5 July 1993 (some were increased, other reduced). At the same time, in order to protect its balance of payments, Poland introduced a surcharge (additional duty) of 6 percent on imports. The Ministry of Industry and Trade is now analyzing this situation and, if it becomes patently obvious that the Central European Treaty has been violated, the Czech Republic will lodge a protest and demand a debate in the Central European Free Trade Agreement [CEFTA] Joint Committee.

Hungary has adopted measures to reduce temporarily the import of cement and metallurgical material. The restrictions on cement imports were applied on 1 July 1993 and should be valid for one year. This has had almost no impact on the Czech Republic. Nevertheless, for important reasons, this matter was discussed at the level of producers and in a CEFTA working group. A written protest was lodged.

The restrictions on imports of metallurgical material imposed by Hungary on 1 July 1993, which will remain in force for one year, had a very serious impact on the Czech Republic. The Czech Republic considers these measures to be discriminatory. Because the Hungarian side is firm about adhering to its measures, a letter is being drafted to the Hungarian minister of external economic relations. This letter demands the removal or a drastic reduction of these restrictions. If we receive a negative answer, this problem will be discussed in the CEFTA Committee.

Austria's Klestil Arrives for Two-Day Visit

AU0612180193 Prague CTK in English 1105 GMT 6 Dec 93

[Excerpt] Prague Dec 6 (CTK)—Austrian President Thomas Klestil arrived today on his first, two-day official visit to the Czech Republic, which takes place at the invitation of Czech President Vaclav Havel.

Today, Klestil is to meet with Havel at Prague Castle. In the afternoon, he will meet with Czech Primate of the Roman Catholic Church and Prague Archbishop Miroslav Vlk, and with Austrian citizens living in the Czech Republic.

On Tuesday [7 December], Klestil is expected to meet with Czech Premier Vaclav Klaus, Chairman of the Parliament Milan Uhde and Prague Mayor Jan Koukal. Later on Tuesday, he is to meet again with Havel. [passage omitted]

Holds Talks With Havel

LD0612150093 Prague Radiozurnal Radio Network in Czech 1300 GMT 6 Dec 93

[Excerpts] Austrian President Thomas Klestil arrived in Prague on a two-day official visit of Prague this morning. Klara Stejskalova reports. [passage omitted] [Stejskalova] After the welcoming ceremony the two heads of state held talks behind closed doors. During the follow-up brief meeting with journalists the two presidents expressed pleasure with meeting each other, for this is the first official visit of Austrian head of state to the Czech Republic since World War I. As Czech President Vaclav Havel noted, Austria is a very close neighbor and relations with Austria are important for us.

During the first round of talks they discussed more general and long-term issues. They discussed prospects for the situation in Europe, the unification process in the region and in Europe as a whole, as well as security issues.

They also touched upon more sensitive issues, for example the nuclear power station in Temelin, whose functioning generates certain anxiety of Austrian citizens, according to Thomas Klestil. He said Austria is satisfied with the good economic relations between the two republics and with the concessions made on certain protectionist measures. [passage omitted]

Havel Stance on Temelin 'Unchanged'

AU0612161993 Prague CTK in English 1545 GMT 6 Dec 93

[Text] Prague Dec 6 (CTK)—At his meeting with Austrian President Thomas Klestil today, Czech President Vaclav Havel confirmed the unchanged stance of the Czech Republic on the completion of the nuclear power plant in Temelin, south Bohemia, and the expulsion of Sudeten Austrians after World War Two.

At a press conference following the meeting, Havel said he had told Klestil that the Czech Republic was striving for the power plant to correspond to the top standards of the late 20th century, and being as safe as other most modern European nuclear power plants.

Havel said he had offered Klestil a report on the present state of the project's construction, from which it follows that many international organisations and experts are participating in the power plant's completion.

Regarding the Austrians expelled from the former Czechoslovakia after World War Two, Havel again explained the Czech Republic's legal position. The Czech Republic respects the protocol from 1965 and the agreement signed in 1974, in which the two countries expressed themselves that they would not raise any more claims concerning property rights on behalf of anybody, and that they simply considered the issue closed, Havel said. This attitude of the Czech Republic remains unchanged, permanent, and cannot be revised, he added.

However, Havel said that this surely does not mean that the question should not be subject to discussions as a historical issue, mainly to calm discussions by experts, at the level of an Austrian- Czech commission of historians. We would like to give a new impulse to such debates, Havel stated.

Havel rejected attempts at joining the issue of German compensations to Czech victims of Nazism with the settlement of Sudeten German claims. Havel reiterated his stand that the compensation as a certain humanitarian gesture could in absolutely no way be connected with the Sudeten Germans' claims.

Havel said that only a small part of his talks with Austrian President Thomas Klestil had been dedicated to the issues of the expulsion of Sudeten Austrians and of Sudeten German claims, as the talks focused on European security. He said that the question of security on the European continent was discussed from the standpoint of the two countries' common fight against terrorism and organised crime.

Klestil told journalists that he conveyed to Havel the apprehensions of his country's population over the planned completion of the Temelin nuclear power plant. Klestil stressed that the Austrian side would point to these apprehensions at every opportunity. He said, however, that he personally did not believe that the dispute over Temelin would in some way harm the general relations between Prague and Vienna. Relations between the Czech Republic and Austria are so intensive, extensive and include so many important fields that the question of Temelin, no matter how important it is... should not hamper or cast a shadow on the integrity of these relations, Klestil told CTK.

Regarding the issue of the expelled Sudeten Austrians, Klestil said that from his country's point of view, this issue had not yet been settled.

Klestil said that he attached great importance to his current visit to the Czech Republic, adding that since his taking office in 1992, he had not met anyone as often as Havel and that he perceived today's talks as a continuation of this dialogue.

Zieleniec Views NATO, Yeltsin's Letter

AU0612175393 Prague DENNI TELEGRAF in Czech 3 Dec 93 p 3

[Interview with Czech Foreign Minister Josef Zieleniec by Martin Danes on 3 December; place not given: "We Are Rejecting Security Guarantees Provided Jointly by the West and Russia"]

[Text] [Danes] There has been a discussion recently regarding Russian President Yeltsin's letter warning the Western powers against admitting countries of Central Europe to NATO. Today, you are participating in the meeting of the North Atlantic Council for Cooperation in Brussels. Are you going to explain the Czech Republic's position on this issue?

[Zieleniec] I have explained it several times, and my deputy, Pavel Bratinka, was very explicit about it. I believe that the meeting in Brussels will deal with practical matters. We have to sort these matters out so that new ambitions to divide the world into spheres of interest may not have a chance to succeed.

One specific issue, the Partnership For Peace project proposed by the United States. If this project is fully completed and if it accommodates our proposals—and the proposals of others—then it could become a framework for a gradual convergence of the Czech Republic and some other countries of Eastern Europe toward the North Atlantic Alliance. If this project is implemented, conditions will be created to differentiate between individual countries.

We are stressing the fact that this project should have a political dimension, apart from the technical and military dimensions. During cooperation, it always becomes clear whether the participating countries really share the same vaiues. The Partnership For Peace project could become a basis for a gradual integration of those countries that want to integrate, and are capable of integrating.

[Danes] I would like to return to Yeltsin's letter, which was published in our press yesterday for the first time. The Russian president is suggesting that the security of the countries in Central and Eastern Europe be jointly guaranteed by NATO and Russia. What is your position?

[Zieleniec] First, I do not know whether the published text is authentic. It looks genuine, but we cannot be sure. This is why I will react only to your question. I believe that, in our region, we must strictly reject guarantees provided jointly by the West and Russia. First, we do not care much about guarantees, but we want to participate in Europe's political life, to which we have belonged for thousands of years. That is, we are most concerned about our cultural and civilization identity, of which the 40 years of communism have changed nothing.

Sweden's Bjork Arrives for Official Visit

AU0612175893 Prague CTK in English 1141 GMT 6 Dec 93

[Text] Prague Dec 6 (CTK)—Swedish Defence Minister Andres Bjork arrived today on a two-day official visit to the Czech Republic to get acquainted with the process of transformation of the Czech Army, deepen contacts between the Czech and Swedish Armies and discuss military and political developments in Europe.

Today, Bjork is to meet with Czech Defence Minister Antonin Baudys and Chairman of the Parliament Milan Uhde, the Czech Defence Ministry announced.

Discusses European Security

AU0712091893 Prague CTK in English 1919 GMT 6 Dec 93

[Text] Prague Dec 6 (CTK)—The establishment of a security structure in Europe will take far longer than anyone imagines, Swedish Defence Minister Andres Bjork told journalists today after his meeting with Czech Defence Minister Antonin Baudys.

The two ministers agreed that the Czech Republic and Sweden faced many similar problems and stated that they assessed the security situation in Europe similarly.

I believe that we are still far from the point at which we could see some kind of integrated security structure, said Bjork, who arrived today on a two-day official visit to the Czech Republic. He said that NATO would continue to play an important role in establishing a security structure in Europe. The long-term presence of U.S. troops in Europe is necessary to achieve long-lasting security and to prevent the rivalry between European countries, Bjork said.

He said it was good that cooperation had been achieved in Europe, but it was bad news for those who believe that some security structure will appear in Europe in the 90's.

Bjork said he and Baudys had come to terms with the fact that they could not agree to the establishment of security structures in Europe that would exclude some countries or not admit some countries to these structures. We cannot have two teams of countries in Europe—the A team and the B team and we cannot have Europe using two gear-levels, Bjork said.

On Tuesday [7 December], Bjork will visit the 1st Air Force Battalion in Ceske Budejovice, south Bohemia, and the UN peacekeeping forces base in Cesky Krumlov, south Bohemia. He will also be received by Czech President Vaclav Havel.

Says Sweden's Neutrality 'Outmoded'

AU0712091993 Prague CTK in English 2016 GMT 6 Dec 93

[Text] Prague Dec 6 (CTK)—Sweden must share in the responsibility for security in Europe, and the Swedes must become full-blooded Europeans, Swedish Defence Minister Andres Bjork said during his meeting with Czech Parliament Chairman Milan Uhde today.

Bjork arrived today on a two-day official visit to the Czech Republic at the invitation of Czech Defence Minister Antonin Baudys.

Swedish neutrality is outmoded, there is no one against whom to be neutral, he said.

Bjork stated that Europe should learn from the situation during the 1920's and 30's, when it believed in declarations, treaties and pacts. He said that this had created a false feeling of security, and that for this reason it was necessary to cooperate with all countries to create an integrated security system.

This, however, cannot be managed without integrating Russia as well. The best way to achieve European stability is to integrate Russia into European economic and security structures, he said.

At their meeting, Bjork and Uhde exchanged views on the situation in the former Yugoslavia. Bjork said that the conflict there must be stopped, but that the problem lay in the fact that the U.N. did not have the military capability and command structure for this.

Jezek: War Victims' Compensation 'Internal Matter'

AU0712092193 Prague CTK in English 2035 GMT 6 Dec 93

[Text] Prague Dec 6 (CTK)—Compensation for Czech victims of Nazism during World War II is an internal matter for the Czechs, National Property Fund Chairman Tomas Jezek told CTK today.

Advance compensation payments to Czech victims of the war as a way of opening the issue of German restitution is politically wrong. The Czech victims must be compensated without raising any claims on Germany, Jezek said.

Czech Foreign Minister Josef Zieleniec proposed advance compensation payments financed by the state budget or the National Property Fund on the understanding that the Czech side would then press Germany for repayment.

Money for compensation could be found in the National Property Fund or in the state budget, Jezek said, adding: Czech victims of the war will receive compensation, but from Czech funds.

About 8,200 former political prisoners under the World War II Nazi regime, 3,100 widows of executed prisoners and 300-400 orphans would be eligible for compensation, said Bohuslav Janacek, deputy chairman of Association of Political Prisoners.

Compensation for political prisoners began to be discussed three years ago. Since then, about 2,500 former political prisoners have died, Janacek said.

Daily Opposes Russia's Security Offer

AU0612134893 Prague LIDOVE NOVINY in Czech 3 Dec 93 p 1

[Adam Cerny commentary: "The Cat Is Out of the Bag"]

[Text] The Russian Federation is offering to provide the Central European countries with security guarantees emphasizing guarantees of their sovereignty, territorial integrity, the inviolability of borders, and the maintenance of peace in the region. Such guarantees may be

included in a joint declaration or in a treaty on cooperation between Russia and NATO. These remarkable phrases are contained in the text of Yeltsin's confidential letter to four NATO countries, which became public (MLADA FRONTA DNES 2 December).

How delightful these twists and turns are. "The cat is out of the bag," as they say in the British Isles. The full text of Yeltsin's letter does not prove the consoling diplomats right. It does rather the opposite: It confirms the fears of the skeptics.

Let us point out that the security interests of the countries of Central Europe are the subject of confidential correspondence. Neither the Moscow sender, nor the addressees in Bonn, Paris, London, and Washington felt like publishing the letter in its entirety.

Not only that. The letter contains at least two or three passages that compel Warsaw, Prague, and Budapest to do some real thinking: What is the priority order of goals and values on both sides of the former Iron Curtain? What—and who—is being given priority?

For: What does that offer of security guarantees mean? There is absolutely no reference to the existing commitments enshrined in the treaty between Moscow and Prague. Apparently, such a reference would be superfluous. Russia simply offers its supervision—true, together with the Alliance—over the order in Central Europe. Such a promise lacks only one thing—an assurance that Russia will not be the first to use nuclear power plant [as published] against these countries.

Let us add that Boris Yeltsin is convinced that the relations between Russia and NATO should be several degrees warmer than the relations between the Alliance and Eastern Europe, and the picture is complete. Russia has passed through a period of hesitation, for which only the temporary weakness bears responsibility. Russia is returning to its traditional role, its usual reflexes.

How should one respond? One can reason that this power, still equipped with nuclear arms, has its weight, on which it leans in furthering its interests. One can safely assume that the influential countries in NATO will take Moscow's views into consideration. Nevertheless, the Czech Republic and other states of Central Europe cannot accept that a country act as their protector, while the ammunition left behind by its troops has still not been cleared away.

Democratic Labor Party Merges With SDL 1 Dec

AU0612141793 Prague RUDE PRAVO in Czech 2 Dec 93 p 2

["kou"-signed report in the "By Teletype" column]

[Text] The Democratic Labor Party [DSP] became part of the Party of the Democratic Left [SDL] effective 1 December, SDL Secretary S. Zajicova said in reply to a question from RUDE PRAVO.

Kovac Refuses Comment on Meciar Resignation Remark

AU0612210693 Prague CTK in English 1849 GMT 6 Dec 93

[Text] Bratislava Dec 6 (CTK)—Slovak President Michal Kovac's office will not comment on Slovak Premier Vladimir Meciar's statement that the president had asked Meciar to offer his resignation, Presidential Spokesman Anton Bodis told CTK today.

Meciar made his statement on November 27 in Zlata Idka, east Slovakia, at a meeting of Movement for a Democratic Slovakia (HZDS) leaders with local functionaries of the movement. In an interview with Slovak radio last Friday [3 December], Meciar reiterated that he had been asked by Kovac to offer his resignation so that Kovac could entrust him with composing a new government. A source which requested anonymity told CTK that Kovac had actually discussed the possibility of the premier's resignation with Meciar, but this discussion took place about two months before the meeting in Zlata Idka.

It was not a discussion connected with the restructuring of the government after the coalition agreement between the HZDS and SNS [Slovak National Party] was signed, but an academic debate during which the president expressed his intention of charging Meciar with forming a broader coalition government, the source told CTK. Kovac then allegedly said that if parliament passed a no-confidence vote in the government and consequently in the premier, then he would not charge Meciar with composing a new cabinet.

Cernak Denies Agreeing to Prosecutor's Dismissal

AU0612183693 Bratislava SLOVENSKY DENNIK in Slovak 3 Dec 93 p 2

["pet"-signed report: "The Slovak National Party Does Not Demand the Prosecutor's Head; Ludovit Cernak: We Will Request the Publication of the Agreement"]

[Text] Bratislava—Slovak National Party [SNS] Chairman Ludovit Cernak denied Prime Minister Meciar's words that, within the framework of the coalition agreement, the SNS confirmed by its signature its consent to the dismissal of the prosecutor general [Vojtech Bacho]. Addressing an SNS briefing yesterday, Cernak said: "We have not signed anything of that sort and we will request the [coalition partner's] permission to publish the agreement."

Ludovit Cernak went on to say that a protocol had been worked out as a supplement to the agreement, which was designated as non-public. In his opinion, this protocol does not contain anything that might dishonor anyone. He did not sign anything that cannot not be made public, Cernak said.

Within the framework of the coalition agreement, a separate supplement concerning [former Minister of Health] Viliam Sobona had been worked out as well. The SNS has requested its publication but it was turned down by Prime Minister Meciar.

Meciar: 1994 Budget Law Acceptable to HZDS

AU0612195693 Prague CTK in English 1608 GMT 6 Dec 93

[Text] Bratislava Dec 6 (CTK)—The draft law on the state budget for 1994 is acceptable to the Movement for a Democratic Slovakia (HZDS), Slovak Premier and HZDS Chairman Vladimir Meciar told journalists today after regular coalition talks with Slovak National Party (SNS) leaders.

Meanwhile, SNS Chairman Ludovit Cernak said that Deputy Premier and Finance Minister Julius Toth had been asked to document within a week on what he based his suppositions of a zero growth of the gross domestic product (GDP). What is important is not that the budget is approved, but that it is acceptable to Slovakia, he added.

Meciar said the two billion crown (some 68 million USD) increase in the army budget over last year's figure, envisaged in the budget law, was justified by the new system of health insurance. He said that insurance payments would not be paid by the state but by the army itself. Meciar said that after the division of the Czechoslovak Federation, the Slovak Army was deprived of federal resources, and that the increased army budget did not mean any increased army activity.

At today's meeting, Cernak asked Meciar for an explanation concerning the authenticity of the tape recording of Meciar's speech in Zlata Idka, east Slovakia, particularly passages concerning the SNS. Cernak said that if the authenticity of the tape recording was confirmed, the SNS Presidium would take a stand on it. He declined to comment, for the time being, on whether or not this confirmation could lead to the breakup of the coalition. Some Slovak dailies published a transcription of the tape recording of Meciar's speech, made at a meeting of HZDS leaders with local movement functionaries last week. In it Meciar, among other things, expressed doubt about the HZDS's coalition partner—the SNS. Meciar said that there were no disputes within the coalition, but that there was a difference in opinion on the coalition itself. Meciar said that he supported that part of the SNS which stands for cooperation with the HZDS.

Kovac: Government Considering New Media Body

AU0612175593 Prague CTK in English 1356 GMT 6 Dec 93

[Text] Bratislava Dec 6 (CTK)—Slovak Deputy Premier Roman Kovac says in today's issue of the Slovak independent daily NARODNA OBRODA that the government is considering the existence of a "supervisory body", a sort of a press council which would comprise media staff.

Kovac has been entrusted within the new coalition government between the Movement for a Democratic Slovakia (HZDS) and the Slovak National Party (SNS) with defining the relationship between the government and the media, which is to be based on a big law on the media, the paper writes. It quotes Kovac as saying that the government wanted to submit to parliament a modern press law, declaring the freedom and independence of the press, while requesting respect for certain international customs in keeping with recommendations from the Council of Europe (CE). The council will either be created on the journalists' own initiative or a law on its establishment will be enacted (in keeping with the CE recommendation), Kovac says.

Four more laws would follow up the law on the press council, embedding state support for specialised periodicals for children, nationalities, on culture, etc., and laws on public corporations, Kovac says. He observes that the government is considering indirect subsidies for the media, but they would not have the form of tax reliefs. Freedom of press exists objectively in Slovakia, Kovac says and adds that the excessive pessimism of some periodicals about the political and economic situation in the country was not grounded. He believes that in the interest of solving controversial situations, it would be reasonable to reintroduce an institution like the Government Council for the Media and Information.

Poll Shows Decline in Support for HZDS

AU0212193793 Bratislava SME in Slovak 1 Dec 93 p 2

["(ll)"-signed report: "The Party of the Democratic Left Is Trusted Most"]

[Text] Bratislava—The Party of the Democratic Left [SDL] is currently the most trustworthy entity on our domestic political scene. This is apparent from a poll conducted by Slovak Radio's Institute of Methodological Research among 1,192 respondents on 12-15 November 1993. The tables published below are based on an analysis of the following question: Have you altered your opinion recently (six months to a year) on the following political parties and movements? The respondents were able to choose from these options:

1. I trust it and I continue to trust it;

2. I trusted it, but do not trust it now;

3. I did not trust it, but I do now;

4. I did not trust it and I do not trust it now.

The results depicted in the first table are a summary of the positive responses to the first and third options. The other table depicts gain or loss of trust. It is obvious from the results that the current coalition partners—the Movement For a Democratic Slovakia [HZDS] and the Slovak National Party [SNS]—have suffered the greatest loss of trust.

Trust in Political Entities (in percent)

SDL	31.0
SNS	29.4
HZDS	26.9
Christian Democratic Movement [KDH]	20.1
Social Democratic Party of Slovakia [SDSS]	16.9
Democratic Party [DS]	10.1
Entrepreneurs [SP]	7.6
Alliance of Democrats [AD SR]	7.5
Christian Social Union [KSU]	6.4
Coexistence	5.6
Hungarian KDH [MKDH]	5.2
Conservative Democratic Party [SKD]	4.9

Changes in Trust in Political Entities (in percent)

	Loss of Trust	Gain in Trust
Coexistence	2.6	0.8
HZDS	31.8	2.2
KDH	19.5	5.1
SNS	24.5	7.7
SDL	11.0	9.5
MKDH	2.5	1.0
SDSS	8.1	5.6
AD SR	2.5	3.7
DS	8.1	2.3
SKD	2.2	2.2
KSU	3.7	3.0
SP	2.9	1.9

SDL Gains Narrow Lead Over HZDS in Poll

AU0712092093 Prague CTK in English 2007 GMT 6 Dec 93

[Text] Bratislava Dec 6 (CTK)—The opposition Democratic Left Party (SDL) is narrowly leading in the popularity polls of political parties in Slovakia, according to research carried out in November by the Focus agency.

Slovak Radio reported today that 13 percent of the poll's respondents would vote for the SDL in early elections, while the governing Movement for a Democratic Slovakia (HZDS) would receive one-tenth of a percent fewer votes. The opposition Christian Democratic Movement (KDH) would receive 10.2 percent of the vote. Seventeen percent of the respondents said they would not vote at all if early elections were called.

Conservative Democrats, Democratic Party Merge

AU0612173793 Prague CTK in English 1830 GMT 4 Dec 93

[Text] Banska Stiavnica, Central Slovakia Dec 4 (CTK)—The chairmen of the Conservative Democratic Party (KDS) and Democratic Party (DS) today signed an agreement merging the two parties. The new party will be called the Conservative Democratic Party-Democratic Party (KDS-DS) until its March 5 constituent congress in Bratislava. The new party views itself as a rightist party and is willing, if early elections are called in Slovakia, to form an election coalition with the Alliance of Democrats, the Party of Entrepreneurs and Businessmen, the Christian Democratic Movement or the Hungarian Civic Party, KDS Chairman Pavel Hagyari said. DS Chairman Anton Duris was the other signatory to the agreement. The KDS-DS will be headed by current DS Honorary Chairman Martin Kvetko.

Parliament To Receive Results of 'Sugar Affair'

AU0612195993 Prague CTK in English 2251 GMT 5 Dec 93

[Text] Bratislava Dec 5 (CTK)—The parliamentary inquiry into the "sugar affair" will probably be closed this month and its findings will be given to parliament in January, chairman of the Slovak Parliament's investigative commission, Frantisek Gaulieder, said on Slovak Television today.

The "sugar affair" concerns the repayment of Indian debts to Slovakia to the tune of 720 million crowns (21 million USD), part of which was paid in sugar. The problem arose from the fact that instead of advertising for firms to tackle the deal, the Slovak Finance Ministry directly appointed two firms, VSZ Selecta and Interfidas, to carry it out. However, it turned out that it would not be possible to tax the profit Interfidas made on the 19 percent commission, as the firm was based abroad. In addition, [Finance Minister Julius] Toth was a member of the board of VSZ Selecta.

The press had meanwhile reported that there had been a breach of the trade agreement with India, because the sugar which was subsequently re-exported, was not one of the government-approved barter commodities. As a result, two government ministers and the Slovak National Bank governor reportedly embezzled 22 million USD, the Slovak opposition daily SME wrote, when it broke the affair.

The commission, which was set up on the instigation by the opposition, is to find out whether or not the transaction affected the state budget and whether or not it was legal. Toth said in a television discussion that he had followed the rules and made a profit, and explained that he was under pressure to provide foreign currency reserves for the newly-independent nation. Toth signed the contract with Interfidas 13 days after the split of Czechoslovakia, he said.

In early January there appeared a chance for the Slovak Finance Ministry to trade clearing rupees for dollars, the first ever opportunity of this kind, he said. Under the terms of the contract, we sold 900 million rupees (just under 21 million USD) to this firm for dollars at 28,27 crowns to the dollar, the rate of exchange valid at the time of the signing. As for the choice of the brokers, he said he had been given every guarantees that the money would be paid on time, as it in fact proved to be. I am proud that I worked for the East Slovak Steel Works (VSZ), he said.

Foreign countries owe Slovakia a total of 56 billion crowns (1.7 billion USD), Slovak Television said. Slovak Premier Vladimir Meciar recently said that future commissions for brokerage may reach anything up to 65 percent. The opposition has meanwhile demanded that similar transactions be put under parliamentary control.

No Agreement With Hungary on Danube

AU0612183593 Prague CTK in English 1531 GMT 2 Dec 93

[Text] Bratislava, Dec 2 (CTK)— The trilateral independent commission of experts, which negotiated the water regime on the Danube, has failed to reach agreement on a single point: the minimum and maximum water flow in the river, Igor Mucha, a Slovak delegate to the commission, told journalists today. Besides Slovaks, the commission also includes experts from Hungary and the European Community. The four-day negotiations ended today.

The commission has worked out a final report on the water regime on the Danube near the Gabcikovo water works and the canal system. The report is based on the results of monitoring the river's water level and ground water, of the water works' impact on the flora and fauna and of other data. The report also recommends to both the Slovak and Hungarian Governments ways of filling the canal system with water. The whole of the report has been signed, except for the part concerning the minimum and maximum flow of water, Mucha said. This part has not been signed by the Slovak representative and the one from Hungary, who insists on two-thirds of all water to be directed into the Danube's main bed.

"We have failed to reach an agreement on behalf of Slovakia, because we found out that our measures (Slovakia diverted a part of the river's water into the derivation canal in October 1992 - ed.) did not result in any drop of the ground water level below the original state, but it (the ground water level) generally increased or remained unchanged," Mucha said.

The report worked out by the commission is likely to serve as a basis for the dispute to be continued in The Hague. On July 2, 1993, the two countries lodged the controversial issue with the Hague-based International Court of Justice. The court is to decide if Hungary was

authorized to halt unilaterally the works on the Czechoslovak-Hungarian joint project of Gabcikovo-Nagymaros water works in 1989, or if Czechoslovakia (later the independent Slovakia) was empowered to build unilaterally a derivation canal and a hydroelectric power station on its territory and put them into operation in the autumn of 1992.

[Bratislava SME in Slovak on 3 December on page 1 carries a 300- word "bog"-signed report on the conclusion of Slovak, Hungarian, and EC Commission experts' talks on the water regime on the Danube. The report quotes Slovak delegation head Igor Mucha as specifying that "the Slovak side proposed a minimum flow of 400 cubic meters per second and an average flow of 800 cubic meters. The Hungarian side stuck to its original demand that two-thirds of the water, that is, about 1,200 cubic meters, be discharged into the old river bed."]

Hungarian Parties Comment on Defense Exercises

AU0612202493 Prague CTK in English 1831 GMT 6 Dec 93

[Text] Bratislava Dec 6 (CTK)—Statements made by Slovak Interior Minister Jozef Tuchyna concerning the November exercises carried out by the Komarno, west Slovakia, District Defence Council were rejected in a joint statement by the Hungarian Christian Democratic Movement (MKDH) and the Egyutteles, or Coexistence, movement today. Tuchyna had reacted to earlier reservations expressed by the Hungarian minority parties—who claimed that the exercises had been aimed against Hungary and the Hungarian minority in Slovakia—by calling their criticism harmful and condemning it as politically very dangerous, according to today's press.

An Egyutteles spokeswoman told CTK that both movements continued to believe that the exercise had a dangerous political intent and that a situation was construed which forced the idea that conflicts threatened the ethnically mixed regions of Slovakia. The minority parties, the spokeswoman said, had not received a satisfactory response from Tuchyna, aside from the explanation that the November 8-9 exercises had been held by the District Defence Council, not the Civil Defence forces, and had been under the control of the Slovak premier and not the interior minister. Parties representing the Hungarian minority in Slovakia reject Tuchyna's statement that their protests are dangerous. They claim that danger is being provoked by those who abuse their power to evoke tempers and passions, and not those who warn against it.

Antall's Treatment To Continue in Budapest

LD0612201493 Budapest MTV Television Network in Hungarian 1830 GMT 6 Dec 93

[Excerpts] [Announcer] Even during his treatment, Prime Minister Jozsef Antall has been monitoring the work of the government and the parliament, Imre Konya [parliamentary group leader of the Hungarian Democratic Forum], who visited the prime minister yesterday, said. [passage omitted]

[Begin recording] [Correspondent] It has been heard that he will again be treated abroad.

[Konya] No. The present treatment can wonderfully be carried out in Hungary, this does not require him to stay abroad. For that matter, since 1991, when the prime minister's disease appeared, the opportunity for a treatment abroad has several times been offered from the highest positions of different countries, but he has always refused it. He, as a medical historian, knows well not only the former but the present medical society as well, and he has always said that the Hungarian doctors are at least as good as any other doctors in the world. The treatment in Cologne took place only because that procedure could not technically be carried out yet in Hungary.

By the way, it is typical, that when I phoned him in Cologne after the operation, although it was still difficult for him to speak, he said that he had already taken steps in order that this Cologne treatment and therapy is introduced in Hungary as well, so that anybody can receive it.

[Correspondent] Altogether, have you found him very hopeful?

[Konya] I would rather say that he showed extraordinary strength. I think that his determination is very strong to do everything in order to return to his work in a physical sense as well. [end recording]

National Democratic Federation Chairman Visits Beijing

AU0612142193 Budapest MTI in English 1028 GMT 6 Dec 93

[Text] Budapest, 6 Dec (MTI)—A delegation from the Hungarian National Democratic Federation, headed by Chairman Imre Pozsgay, began talks with senior officials of the Chinese Communist Party on Monday. The talks aim at establishing official ties between the two parties.

In the morning hours, Pozsgay held talks with the Chinese Communist Party Central Committee Foreign Affairs Department head.

During the week, the Hungarian delegation will travel to the Chinese provinces.

UP's Bugaj Discusses Current Situation

WS0312133093 Warsaw RZECZPOSPOLITA in Polish 3 Dec 93 p 3

[Interview with UP Leader Ryszard Bugaj, by Jan Bazyl Lipszyc: "We Have Already Eaten the Greater Part of the Frog"; place and date not given]

[Text] [Lipszyc] Where is the Labor Union [UP] now? It is not in the coalition, because it did not want to belong there. However, the course of the work in the Sejm suggests that it is not in the opposition either. Incidentally, it has its own minister in the government. So, where is it now?

[Bugaj] The answer to this question is very complex. It is difficult to be in the coalition, or in the opposition, when one does not know what this government intends to do. The official speech delivered by the prime minister in the Sejm was first of all a ministerial miscellany and it is difficult to define a clear policy of this government on the basis of his speech. We can see that the government is taking divergent measures; we approve of some of them, and some of them we do not. Public opinion wants political groupings to be clearly defined. We are aware of this and we will certainly side with someone. Now, as for Minister Marek Pol, he has taken this office at his own risk, not the party's.

[Lipszyc] What, from your point of view, will be the crucial test for the government? Will it be the budget bill?

[Bugaj] Yes, as well as the bill on socio-economic plans and the privatization program. Now, whenever we have doubts we think that we should act in favor of the government; when we become familiar with these documents, these doubts will work against the government, because it will not then be able to try to justify itself that it had not been able to present something. This will mean that it cannot do it, which will be enough for us to evaluate it negatively.

[Lipszyc] We already have the first information on plans for next year's budget. Is this not enough to estimate in which direction the economic program of the government is going?

[Bugaj] I am afraid that the Finance Ministry and the Ministry of Ownership Transformations seem to intend to continue the policy that has been carried out so far. If this turns out to be true, we will have to find a place for ourselves in the opposition. This is not a comfortable situation for us, because the coalition is, and will be for a long time to come, perceived as a leftist camp. All those who consider themselves to be part of the left wing may foot the bills for this government.

[Lipszyc] UP is said to be more leftist than the Democratic Left Alliance [SLD]; it is certainly said to be more leftist than that wing of SLD that is playing the first fiddle today—because it has formed a government.

[Bugaj] I think that this is a correct evaluation. We said quite a long time ago that, as Janusz Lewandowski nicely put it, there are many people in SLD who have put on leftist shoes not of their own choice, but for example, for biographical reasons. These shoes often chafe them; however, these people are wearing liberal socks. This can be easily seen in their tax bills. Now, from a point of view of social divisions, tax bills are the litmus paper.

[Lipszyc] You favored the idea of introducing a 50-percent income tax.

[Bugaj] Well, they favored this idea once as well. However, the most important thing is how to collect taxes. People evade them, which is the real problem. Professor Andrzej Wernik estimates that in 1992 as many as 78 trillion zlotys of tax money that should have been collected by the budget did not find their way there. I think this was an exaggeration, but the sum totals a few dozen trillion zlotys anyway. However, it is an illusion to think that once the tax thresholds are lowered, more people will pay their taxes and the budget will profit. The amount of the unpaid taxes depends on the possibilities of concealing the real income, not the size of the tax rate. The latter is, incidentally, quite low in Poland; the highest tax threshold is below the European standard.

[Lipszyc] The government is proposing milder taxes for the poorest, and higher taxes for the rich. You approve of this, do you not?

[Bugaj] We certainly agree with this; however, an income of 1.4 million zlotys a month, which is tax-free, is more than poverty and there are not very many such people in Poland. Therefore, setting such a limit for tax exemptions was a political move rather than an attempt to really improve the situation of the poorest.

It is also worth recalling that the proposal of introducing a 50- percent tax rate was submitted a year ago by the rightist government of the Democratic Union and the Christian-National Union. It hated to do this, but it submitted such a motion. This leftist government did not bring itself to do it, even though it does not have to fear the parliament and had such a proposal been made, it would have been adopted. Thus, it is clear that it does not want to propose this.

[Lipszyc] Should this be laid at the door of that group of people within SLD who are commonly referred to as liberals?

[Bugaj] Each party has strata in its social base. One consists of the mass voters and it is a very diversified group. The SLD electorate includes a numerous group of people who voted "against," not "for." They voted against what had been happening for the past four years. The other group is made up of the so-called closer and farther active people [blizszy i dalszy aktyw]. It is a group that is referred to as franchised [uwlaszczona] nomenclature; these people are exerting strong pressure to save their money.

[Lipszyc] This means that you have a shorter distance to go to the Polish Peasant Party [PSL] than to SLD, not only in privatiztion.

[Bugaj] Yes, I think that we have a much shorter way to go. The similarity of views is very deep here, not only in the area of privatization, but the economy as such. However, PSL is looking at social issues from a very special point of view. On many issues this party is less present, as it were. Example: the tax income. Peasants do not pay it; this is the only large group that is exempted from a personal tax. Thus, PSL does not have any direct interest here; however, we do.

[Lipszyc] According to one scenario, the coalition will quarrel, or will even fall apart, because it will not be able to reconcile the expenditures of agriculture with those of industry.

[Bugaj] The sums that the budget envisions for these purposes are relatively minor and this can be reconciled. The real problem is the conflict of interest between the town and the countryside, for example customs protection of agriculture, which causes an increase in food prices.

[Lipszyc] The voters of both parties are protesting the increases of energy prices. Did the government have to raise these prices?

[Bugaj] I think that they had to do most of that. I personally think that they made one big mistake: The raises were not linked to an entire packet of measures, which would present the whole process. Another mistake—they do not want to take the money that can be found quite easily. The increase of alcohol prices was very insignificant; it could have fetched them a few trillion zlotys more and no one would have protested these raises, because vodka is still relatively cheap.

[Lipszyc] The Pact on State Enterprise was supposed to ensure social peace for the previous government. Will it ensure it now?

[Bugaj] From this point of view, it has already been used up. The government submitted the "pact" to the Sejm probably because this is what it thought: It has been prepared, let it go to the Sejm, so that no one shouts at us. Incidentally, some of the solutions that are proposed there are quite reasonable.

[Lipszyc] You have lost the battle for limiting the program of mass privatization. Minister Wieslaw Kaczmarek will implement it in the same form as prepared by Janusz Lewandowski.

[Bugaj] Yes, I think we will lose it; however, PSL was against it and there may be controversies over this issue within the coalition. Now, if we lose it in this sense, we will score a tremendous political victory, because the consequences of this program will be different from what is expected. However, it will be a bitter satisfaction.

[Lipszyc] As far back as before the elections, the coalition kept saying that in the "report on the condition of the state" the economy was presented in overly bright colors. Now the head of the Central Planning Administration says that the situation is not all that bad and that it is going to get better. You have always been pessimistic in your evaluation of the condition of the economy. What is your evaluation now?

[Bugaj] Unfortunately, former evaluations are closer to the truth. The production growth looks more optimistic; however, this growth, which started in the middle of 1992, does not necessarily have to be permanent. The problem of what to do to make it last is still an open question. This is my question for this government: What is it going to do about it?

For me one of the key issues is the protection of our domestic market. Apart from restoring (more correctly: maintaining) the six-percent border tax, I can see no steps taken in this direction. If nothing is done about it, then, if we take the condition of the payment balance into account, one has to be very cautious in creating the supply of money, so that the financial policy will not fall apart and the exchange rate of the zloty will not have to be drastically changed. The alternative to protecting our own market today is stifling production through a sharper financial policy.

Another problem is unemployment. It is very unlikely that unemployment will be curbed; there is still a lot of concealed unemployment in companies. The situation of the budget and state companies is extremely difficult. For the past three years we have done nothing to enhance the competitiveness of the Polish economy.

We are to a considerable degree dependent on the economic situation in Germany, which is the destination of one-third of our exports. Just within four years we have shaped a very satellite-like economic structure toward Germany.

[Lipszyc] You think that the previous governments are responsible for all that?

[Bugaj] Yes, there is no doubt about it.

[Lipszyc] Does this government have a chance to cope with these problems? Or do the signals, such as the information on the government's plans concerning the economic policy, suggest that the approach toward these problems will be different?

[Bugaj] I have compared two finance ministers: Balcerowicz and Borowski. Leszek Balcerowicz had an extensive vision of reforming the economy, but he was not prepared to fulfill the function of a finance minister. I did not share this concept; however, I would be the last one to say that he did not know what he wanted. Now, as for Marek Borowski, the situation is quite the opposite. He can be a good finance minister, that is, the one who is in charge of the state's coffers; however, right now we

need something more, if we are talking about the need to have a new economic policy.

[Lipszyc] That is, nothing except pessimism?

[Bugaj] I think that we have already eaten the larger part of this frog, and if we do not make major mistakes, the rest of this ride may be easier and lead downhill. Thus, this government has a very good chance; however, it must decide whether it will serve the interests of various influential groups and cocktail associations of businessmen, or whether it will take a different road, even though it may have to make unpopular decisions, such as those concerning taxes.

The former option is easier. However, it may cause social resistance, as a result of which the coalition would become a hostage of the president. I do not know whether now that they are overwhelmed with current issues, they are aware of such a choice. However, they certainly must choose.

IRA Sting Linked to State Secrets Bill

WS0612144793 Warsaw RZECZPOSPOLITA in Polish 4-5 Dec 93 p 2

[Editorial by Krzysztof Gottesman: "Week's Net Balance"]

[Text] The smuggling of Polish weapons for the IRA and the Sejm debate of the government's draft law on state secrets, were the most spectacular events of this past week. These two issues—which have nothing in common on the surface—are linked to each other nevertheless. If the government draft was in force today, public opinion would know nothing about the shipment on board "Inowroclaw" and nobody would be wondering whether the law had been violated. It also does not seem likely that if the draft were law today, it would be possible to be holding a public debate about the special services' position, or about limits which those services must observe when interfering in public life.

When a few months back the-then Sejm Deputy Jaroslaw Kaczynski revealed confidential instructions issued by the State Protection Office concerning recruitment of secret agents (known as consultants), he was indicted. The court ultimately acquitted him because of the Sejm deputy immunity which protected him. But journalists have no such immunities. The very comprehensive list of topics which it will not be possible to write or talk about, will render any more substantial political or economic debate simply impossible. But when we speak of the government draft, we must remember that it is just that—a draft, which was criticized by deputies for all the deputies clubs already during the first reading. So one can hope that it will not be made law in this form. Secondly, I think nobody from among the critics questions the necessity for state secrets. There are areas in any country, which must be protected by secrecy for the country's own good and security, like for instance some aspects of the functioning of the Army or special services. But it is unacceptable to have a situation of someone who has been appointed by the prime minister to a very high state post, refusing to allow cameramen to take his pictures, even if he is an intelligence officer who used to conduct various secret operations in the past.

In his speech in the Sejm which has become famous by now (during a debate on Prime Minister Pawlak's inaugural address) Aleksander Kwasniewski not only said "I'm sorry" to all those who suffered under the Polish United Workers' Party, but he also announced something that could be more important in the future. He promised on behalf of the governing camp (to put it the shortest way possible) that a return to the world of the Polish People's Republic is not possible in any form. It would be hard to accuse the leader of the Social Democracy of the Polish Republic and of the Democratic Left Alliance of having mischievous intentions, but there are still some factors which make it necessary to watch very carefully how the promise will be implemented. During its first few weeks in power, the governing coalition has already replaced every fourth highest- ranking official in the ministries, and with regard to the Office of the Council of Ministers, the percentage is even higher. Of course, the new government is empowered to place their own people in the most important posts, especially considering it has some obligations to keep as a result of the election campaign. But it is not a good thing if during that process, some people are again becoming popular who unequivocally bring the past to mind—the past which Aleksander Kwasniewski said will never return.

Ex-TV Chief on Changes to Public Television

AU0612210793 Warsaw POLITYKA in Polish 4 Dec 93

[Interview with Janusz Zaorski, ex-chief of the Radio and Television Committee, by Zdzislaw Pietrasik; place and date not given: "I am a Strategist"]

[Excerpts] [Pietrasik] What do you think of the first remarks on the subject of television made by Wieslaw Walendziak, head of Polish Television Inc.?

[Zaorski] When I joined television two years ago, I refused to give any interviews at all for the first two months, even though 78 people were waiting to interview me. Many of them are still offended with me because of that. I wanted to acquaint myself with television first. Walendziak is not waiting. Some of his remarks have made some television employees feel very upset.

[Pietrasik] Such as the remark that the worst reporters work for television?

[Zaorski] Such generalizations are very harmful to the people working on Woronicz Street [the address of the television center].

[Pietrasik] But what do you think of the people here?

[Zaorski] Press reporters try to be better than television reporters. But a good press reporter need not be a good television reporter at all. (passage omitted]

[Pietrasik] Which of your decisions did you fail to implement?

[Zaorski] When I came here, there were two nationwide television channels and a regional channel in Katowice. Today, there are six regional channels that broadcast their own programs, and another five channels are waiting for frequencies to be allocated to them. These regional channels can offer programs that would never be shown nationwide. What I set in motion is a completely new kind of television that would have been more widespread today were it not for certain decisions by the National Radio and Television Council. For instance, the regional channel in Lodz was granted a strength of 1 kilowatt, which means a range of 15 km, not even enough to cover the entire city. And yet the broadcasting law calls for the setting up of regional television. One can surmise that for television purposes, a region consists of at least one voivodship, if not two or three, but surely not half a city!

[Pietrasik] Did you suspect the Council of malice?

[Zaorski] Of course this was malice, because they kept the best frequencies for private television. Therefore there had to be a conflict between the Council and me, because I am a servant of public television. That is what I am paid for. Because of the situation with Lodz, I took the Council to court. [passage omitted]

[Pietrasik] What kind of Polish Television are you bequeathing to your successors?

[Zaorski] As far as programming is concerned, I will leave my wishes in writing. They do not have to comply. But I am also leaving behind new equipment, new studios, cameras, and outside broadcast vehicles. There will be no trouble with equipment for the next five years. The storerooms contain 600 new movies and serials waiting to be screened. All these are changes that no one bothered to undertake because they were more interested in politics. You travelled up up to my office in a new elevator.

[Pietrasik] A very smart elevator.

[Zaorski] I did not have it renovated for nothing. If we are to join Europe, we cannot have several people plus four radiators in a room. How can one produce ideas in a room with cheap furniture? At last we have tiles in the bathroom, and toilet paper, with which there have also been supply difficulties. I am sorry to mention such trivialities, but these are improvements that I made.

Supreme Court Rules 19 Sep Elections Valid

LD0612165293 Warsaw PAP in English 1613 GMT 6 Dec 93

[Text] Warsaw, Dec. 6—The Supreme Court ruled Monday that the September 19 parliamentary elections are valid and confirmed the validity of the election of deputies and senators listed in the September 23 announcement of the State Electoral Commission related to the election results.

The ruling of the Supreme Court is final.

Ministers Comment on Privatization Program

LD0612192093 Warsaw PAP in English 1821 GMT 6 Dec 93

[Text] Warsaw, Dec. 6—Deputy Prime Minister and Minister of Finance Marek Borowski and Minister of Privatization Wieslaw Kaczmarek on Monday encouraged representatives of some 70 state enterprises to take part in the mass privatization programme.

The privatization minister said that the participation of at least 550 to 600 enterprises would guarantee the success of this "experimental undertaking." 367 enterprises have signed up for the experiment so far.

Borowski said that enterprises should forget about ideas that the new government will subsidise weak firms and that "it will open a purse with cheap credits." Such decisions are out of the question, stressed the deputy prime minister.

According to him, the programme's chances for success are far greater than the possible risk. He sees the greatest chance in the setting up of national investment funds managed by Polish-foreign consortia, as only such, according to Borowski, guarantee a combination of Western experience and modern management, and knowledge of Polish economic reality.

The deputy premier also stressed that Polish enterprises need new ideas on how they should be managed as well as access to credits for necessary restructuring.

Some participants in the meeting said that if the investment funds are to be the remedy for Polish enterprises than they should receive enterprises facing bankruptcy to show their skills.

Minister Kaczmarek replied that not all the enterprises which are to take part in the programme are in a good financial situation. "This is not the cream of the Polish economy," assured the minister.

The decision on the number of investment funds and the selection of managing firms should take place during the first half of 1994.

Economic Committee Supports Proexport Policy

LD0612221293 Warsaw PAP in English 2150 GMT 6 Dec 93

[Text] Warsaw, Dec. 6—Financial aid for corporations insuring export credits, inauguration of the government export guarantees, improvement in promotion and the raising of the standard of efficiency of customs services are the most important items to be included in the 1994 state budget in its part related to export, Minister for

Foreign Economic Relations Leslaw Podkanski said Monday after a meeting of the Cabinet Economic Committee (KERM).

KERM stated it is necessary to pursue a pro-export policy which should be an integral part of the economic policy of the state, industrial one in particular. A detailed programme of the pro- export policy is to be approved by KERM by the end of this year.

According to Podkanski, the implementation of the pro-export policy in 1994 will require 4-4.5 trillion zlotys (200-225 million USD) in 1994. It is envisaged that thanks to these resources export in 1994 should rise by 5 to 10 per cent.

When asked to comment on the tempo of Polish zloty devaluation, the minister said that the present exchange rate policy promotes a pro-import rather than a pro-export trend. As a consequence, the minister said he is interested in the acceleration of zloty devaluation.

Also on Monday KERM preliminarily approved a draft ordinance of the finance minister on the introduction of tax reliefs for entrepreneurs making pro-export investments.

It was also agreed that a programmatic council of KERM will be set up soon. It will be made up of representatives of academics and entrepreneurs.

Experts of the Ministries of Construction, Agriculture, Environmental Protection and the Agricultural Market Agency were obligated to present to the cabinet a new draft law on the construction and exploitation of toll motorways by January 6.

Ethnic Hungarian Leader Views Political Scene

AU0512180493 Budapest UJ MAGYARORSZAG in Hungarian 3 Dec 93 p 17

[Interview with Bela Marko, national chairman of the Democratic Union of Hungarians in Romania, by unidentified reporter, first published in Bucharest ZIG ZAG in Romanian, translated by "B.L."; date not given: "A Romanian Newspaper's Interview With the Chairman of the RMDSZ—We Have To Attempt a Dialogue"]

[Text] Many Romanian and Hungarian newspapers have interviewed Bela Marko, national chairman of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian]. Obviously, it is not surprising to anyone that the tone, topics, and the approach of the questions are often different from each other in the Romanian- and Hungarian-language interviews. This is one of the reasons the interview published in a Romanian newspaper, the Bucharest ZIG ZAG, might be interesting for a reader in Hungary.

[ZIG ZAG] In your view, what is the difference between an ethnic Romanian and an ethnic Hungarian citizen in Romania?

[Marko] When we talk about differences, we are often told that we are actually equal to the ethnic Romanian citizens and that this is included in the Constitution. However, this is only a fictitious equality. For example, in a state institution in Marosvasarhely [Tirgu Mures], both nationalities can express their wishes in Romanian. At first sight, this might appear as an equality, however, we are not equal because Romanian citizens can express themselves in their mother tongue and use the nuances in their mother tongue while I am not expressing myself in my mother tongue.

[ZIG ZAG] Does this mean that it is more difficult to be a Hungarian than a Romanian?

[Marko] In my view, we cannot ignore the general situation of Romanian society in the case of any Hungarians. Ethnic Hungarian citizens also have to face the special problems of their own community in a situation in which they feel that their national self-identity is being threatened. Although this is being said by a member of the intelligentsia, this problem affects everyone, be it in the area of education, culture, or the use of the mother tongue in public affairs or in judicial services. Looking at the issue from an emotional point of view, we have to say that not all the conditions exist for a Hungarian person to feel himself at home.

[ZIG ZAG] Is this the fault of the transitional period or is it the wrongdoing of Romanians against Hungarians?

[Marko] In order to answer this, we would have to look deeper into the current state of the reforms. I think that the problems related to this stem from the bad management of the transitional period, and from the way the Romanian government perceived the changeover to a market economy. I believe that this process is being hindered without justification, and in addition to this, the social strata that is necessary for the changeover has not been established. All East European countries that are living through this period of transition are struggling with many problems that are more or less the same in each country. For this very reason, I do not understand why we do not use the models, why we do not have better relations and exchange of experiences which would make the reform easier. It seems that we want to have our own ideas in everything.

[ZIG ZAG] In your view, what should be in those sections of the Constitution which deal with the state, participation in power, and the national minorities?

[Marko] We do not believe that the notion of nation state should be in the Romanian Constitution. In European constitutions, the state's relationship with the nation is not defined. Although this passage was present in France, it was later withdrawn.

[ZIG ZAG] [Senator] Gyorgy Frunda is a member of the Romanian delegation to the Council of Europe. Why did you not choose a different time to send the RMDSZ's memorandum?

[Marko] Regardless of the time, we felt it necessary to create a document that contains all problems of the Hungarian national minority. As for how timely it was to send this to the Council of Europe, we decided that this was the time we had to inform them on our problems.

[ZIG ZAG] Precisely at the time when Romania's Council of Europe membership was at stake?

[Marko] I ask everyone who attacks us for this to look at all the former reports submitted to the Council of Europe. They will see that our complaints and requests are in all of them. We have mentioned these problems many times. Therefore, this memorandum had precedents. The fact that we raised the cause of the Hungarian national minority at the Council of Europe is part of a process. Why? Because since December 1989, there has not been a favorable moment that we would have found appropriate or timely to demand the right of the Hungarians in a forceful, consistent, and simple way.

[ZIG ZAG] How is that?!

[MArko] Whenever we raised this issue, the moment was never appropriate. The current power has been maintaining this "not an appropriate moment" and keeps putting off the solution of our requests. It is in the interest of the power to help the advancement of the old structures, and it appears to be discovering attacks against the country in a realistic and honest approach to the issues. We are attacking but this is directed against the government and the power, rather than the country. These are not the same things.

[ZIG ZAG] Would an ultimatum to the current power have been better placed?

[Marko] Then we would also have to talk about the National Minority Council.

[ZIG ZAG] Exactly.

[Marko] This was an institution that we accepted in spite of our suspicions that the National Minority Council was not set up because of the government's will to settle our complaints. Nevertheless, we made some good suggestions to the government through the National Minority Council.

[ZIG ZAG] And you withdrew precisely at the time when the issue of the dual language signs was on the agenda!

[Marko] The proposal on the signs was made in August and the government still has not dealt with this issue. They keep promising things only to forget about them later.

[ZIG ZAG] Was it because of the lack of government actions that you withdrew from the National Minority Council?

[Marko] Yes. Our withdrawal is not a criticism of the council, rather, an action against the grounding of the issues that were started by the council.

[ZIG ZAG] Was this not a hasty step?

[Marko] I believe that the next step has to be taken by the Romanian government. If this solves our problems then this will mean that the dialogue can continue. I would not like this to seem as blackmail, but this is the current situation.

[ZIG ZAG] Would you be satisfied if an organization that explicitly deals with the issues of Hungarians was set up alongside the Romanian government?

[Marko] Yes, but we also requested that this organization be run by the representatives of the national minorities. In addition to this, rather than operating as a consultative body, an organization like this would also have to have a right to make decisions on the particular issues of national minorities.

[ZIG ZAG] Do you think that the memorandum to the Council of Europe would have been more credible if the problems of Romania's other national minorities had also been included in it?

[Marko] The memorandum was submitted by a party that represents the Hungarian minority. In Parliament, we work together with the other minorities but we are not in an alliance with them.

[ZIG ZAG] Considering the circumstances, would it not have been appropriate to have discussed this document in the Democratic Convention?

[Marko] We discussed the national issue a number of times in the convention, and agreed that the decision has to be based on the text of the Gyulafehervar [Alba Julia] statement. At the same time, I have never denied the fact that there are disagreements on the solution of the national minority issue between the RMDSZ and the convention. We have to renegotiate everything with the Democratic Convention and we will have to come to an agreement. I repeat that it is possible that we will continue to have differences of views but we will have to attempt a dialogue.

[ZIG ZAG] Do you think that the opposition will lose many votes because of the maneuvers of the RMDSZ?

[Marko] Perhaps it will, temporarily. However, in spite of the differences of views, I know that the convention does not tolerate the extreme nationalism that characterizes some parties, and I do not believe that it would have to compete with these parties to win the elections. The Democratic Convention will have to do something to change the options of the electors.

[ZIG ZAG] In a constitutional state, everyone has to respect the Constitution because it was voted for by the majority. Through its demands, does the RMDSZ perhaps question the Romanian Constitution?

[Marko] Any constitution can be amended or improved. Attacking one or more paragraphs of the Constitution does not mean that the organization that is attacking it does not respect its provisions. This would mean that we would invalidate the point that states the Constitution can be amended through a certain number of signatures and a referendum. The RMDSZ did not vote for the Romanian Constitution but we did not state that we would not respect it.

SRI Head on 'Imminent Collapse' of Money Scheme

AU0612175693 Bucharest ROMANIA LIBERA in Romanian 1 Dec 93 p 16

[Andrei Badin report: "Virgil Magureanu Announces the Collapse of Caritas"]

[Text] Virgil Magureanu, the director of the Romanian Intelligence Service [SRI], has announced the imminent collapse of the so-called mutual assistance scheme [Cluj-based money-multiplying Ponzi scheme] Caritas. The SRI director made that assertion in an interview broadcast by the Munich-based Radio Free Europe. Being asked by [Radio Free Europe reporters] Neculai Constantin Munteanu and Liviu Tofan about the Caritas scheme, Magureanu said that it is "collapsing," and therefore its end is imminent. The SRI director expressed concern over the consequences of the collapse of Ioan Stoica's money-making scheme, which also enjoys the support of the National Romanian Unity Party [PUNR] chairman and mayor of Cluj, Gheorghe Funar. Talking about the corrupting side-effects of the so-called mutual assistance scheme, Magureanu blamed Caritas for having upset the financial and economic balance of the country.

Melescanu: Romania Not 'a Buffer State'

BR0612142693 Brussels LA LIBRE BELGIQUE in French 6 Dec 93 p 4

[Interview with Foreign Minister Teodor Melescanu by Michel Rosten in Brussels on 3 December: "Not To Be a Buffer State!"; first paragraph is LA LIBRE BELGIQUE introduction]

[Text] After participating in the work done by the NACC [North Atlantic Cooperation Council] at NATO headquarters, Romanian Foreign Minister Teodor Melescanu agreed to answer some questions put to him by LA LIBRE BELGIQUE on Friday evening.

[Rosten] For several months now, Russia has grown in stature in the international arena. Following the disintegration of the USSR, Russia set centripetal forces in motion. How is Romania reacting to this development?

[Melescanu] Romania is caught in a pincer movement between two main areas of tension (the former Yugoslavia and Transcaucasia), at a time when Russia is affirming its role as the successor to the USSR and seems destined to play a global role. So our main preoccupation can be summed up as follows: to avoid becoming a sort of corridor or buffer state between Western and Eastern Europe, and instead being taken seriously. This is the basis for our desire for European integration. We would like to be reassured that the countries of Eastern Europe, which are cultivating a Western tradition and appreciate its influence, are recognized for what they are. We are not asking for security guarantees or entry to the European Union, but we do not want to be a private hunting ground either. This preoccupation has arisen following developments in the former USSR. And that is why we are hoping that democratic forces in Russia will retain pride of place after the 12 December elections.

[Rosten] On the evening of the NACC meeting, are you not particularly anxious? The extremely cautious speech by Mr. Kozyrev on "partnership for peace," for which Boris Yeltsin appeared to indicate his full support when Warren Christopher visited Moscow, is hardly encouraging.

[Melescanu] You should know that the speech that he gave at the ministerial council was watered down compared with the statements that he had made the day before in official circles. However, the impressions gained should be weighed up in the light of the fact that before he could express his opinions much more freely than today. Indeed, it should not be forgotten that Mr. Kozyrev is now facing voters in Murmansk, and that these days he is having to reflect the interests of those people whose votes he is soliciting.

[Rosten] During the work done by the NACC, you said that "partnership for peace represents an excellent idea, on condition that it is viewed as a first step toward full membership." However, NATO does not want to make any such commitment. Are you disappointed?

[Melescanu] This is the problem of whether the glass is half-full or half-empty. Nobody can accept that the idea of partnership might be a consolation prize. However, things must definitely be viewed differently. NATO has opened the door halfway, but not everybody will be invited in. In reality, we should admit that there are two classes of countries within the NACC. First, those which benefit under an association agreement with the European Union and that want to enjoy even closer links; and second, those states—like Russia or those in Transcaucasia—which are creating their own security body within the CIS. The reservations emerging today are associated with this difference. On the other hand, national participation in a politico-military organization necessarily entails cooperation aimed at establishing a common policy. Therefore, it seems impossible to conceive of Russian entry into NATO, whereas the countries of Central and Eastern Europe could find a place there. Nevertheless, with this in mind, we will have to work on two parallel levels: to strive for closer relations and the integration of new allies, while at the same time establishing friendly relations with the CIS. In fact, any enlargement of the Alliance would have to avoid being viewed as a move that was hostile to Russia, for instead of serving the interests of European security it would generate instability there.

[Rosten] In this respect, does Romania envision forging closer links with the WEU [Western European Union] in accordance with the procedure implemented by Paris and Bonn vis-a-vis Central Europe?

[Melescanu] The French-German proposal was also put to Romania and Bulgaria. The NATO secretary general [Manfred Woerner] told me that a consensus had been reached in Luxembourg at the last ministerial session. He added that a specific decision would no doubt be made after the NATO summit. The WEU did not want to rush into anything so as not to give the impression that it wanted to force the hand of the allies before their summit on 10 January.

PSM 'Disappointed' With National Day Events

AU0612182993 Bucharest ROMPRES in English 1539 GMT 6 Dec 93

[Text] Bucharest, ROMPRES, 6/12/1993—The Socialist Party of Labor (PSM) feels disappointed and sad at how the National Day of Romania was celebrated, PSM Vice-President Tudor Mohora told the press Monday, 6 December.

"We showed the world the disunion that sets asunder the Romanian society, and the political class has nothing to gain from this as it has failed to meet the expectations of the people. The only sign of reconciliation, he said, was the representation of all denominations at the National Day."

On the other hand, PSM Vice-President Adrian Paunescu said his party intended to propose in parliament that the Romanian authorities plead with the international fora that the embargo against Yugoslavia be lifted during the winter holidays. Serbian, Montenegro, Croat, Bosnian and Slovenian children too have the right to enjoy Christmas, and he added that in the view of his party this embargo was far from being the way to aptly solve the problems and that instead it led to genocide.

Silajdzic Protests Lack of Action on No-Fly Zone

AU0612205593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Dec 93

[Text] Due to the shelling of Sarajevo, Bosnia-Herzegovina Prime Minister Haris Silajdzic has sent a letter to the chairman of the UN Security Council, in which it is stated:

I would like to remind you that in Resolution 781 the UN Security Council expressed its resoluteness to implement a no-fly zone in the airspace above the Republic of Bosnia-Herzegovina. Unfortunately, facts have proven that this resolution is being seriously violated, as the international community has so far not demonstrated any willingness to implement its own resolution. To support this letter, I am enclosing a list of cases in which this resolution was blatantly violated.

I would like to underscore that, in most of the cases, it is the Serbian aggressor's forces who are violating the resolution; however, the Croatian forces have recently been doing the same. I would also like to stress that the aggressor has been increasingly frequently and extensively using weapons that are banned by international conventions. This includes chemical agents, cluster bombs, and medium-range surface-to-surface missiles.

I would also like to emphasize that, in the last month, the aggressor has resorted to new tactics in the shelling of residential areas. The places where civilians gather—for example, schools, hospitals, public fountains, crossroads, and the like—have became his targets. In this way, 73 people were killed and 351 injured between 9 November and 5 December 1993 in Sarajevo alone. Such a massacre of the civilian population and selectively chosen targets at unpredictable times are aimed at causing as much as possible bloodshed and avoiding the reaction of the international community.

Mr. President, I would like to remind you once again that Sarajevo is a protected town and that it continues to be under siege, facing incredibly serious humanitarian problems. We demand that the UN Security Council implement the measures contained in Resolution 836, by which the siege would be lifted and a new massacre of the civilians prevented. We also demand that the UN Security Council pass effective measures to implement Resolution 781, banning military flights above the Republic of Bosnia-Herzegovina.

Karadzic Cited on Issues for Upcoming Talks

AU0712112093 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 5 Dec 93 p 5

[M. Markovic report: "Peace by the End of the Year"]

[Text] The negotiations in Geneva have ended without any concrete agreement, but not without an agreement for a swift and speedy resumption of the negotiations on the topic already broached. The most important thing is that the negotiating process has resumed and that the task of the territorial demarcation of the three states in the former Bosnia-Herzegovina has begun.

This is how Radovan Karadzic, president of the republic of Srpska, briefly assessed for our newspaper the latest Geneva summit and the talks about the territorial demarcation of the former Bosnia-Herzegovina.

Karadzic stressed that there were no more dilemmas about whether the three states would be a part of a union or not, and that the priority was the division of territory between the three peoples. He said that the Muslims had, up until the last minute, nurtured hopes about a unitary Bosnia-Herzegovina, which they again repeated in Geneva. According to what Izetbegovic requested at the very beginning of the talks, peace would be established and maintained by NATO forces. Karadzic reiterated that the talks had been very constructive and that they were held in a very correct atmosphere. He assessed as propaganda Izetbegovic's statement that nothing had been achieved and that no progress had been made in Geneva.

It has been decided that we should expedite talks about concrete solutions, says Karadzic. Silajdzic and Krajisnik will hold talks at the beginning of next week at Sarajevo airport and will try to come to a concrete solution that we can submit when we return to Geneva.

The fact is that a great number of territories will be discussed and that we will test various possibilities, as we have already done to some extent. It is very important that the Muslim side has given a positive answer to the unhindered passage of civilians on its territories and that it will guarantee the freedom to choose one's place of residence. This is significant progress. Karadzic says that ministers of the European Union, whose initiative it was to convene this meeting, will meet on Monday and compile a report on the last round of negotiations. They will then decide on the basis of the results when and at what level the meeting will be reconvened. Expectations are that a peace agreement will be reached by the beginning of the year, which means that an honest and sincere approach to the controversial issues is needed. The Muslim side was not honest this time, which gives the Serbian side the right to doubt whether the Muslims are at all interested in peace. How would one otherwise interpret the Muslims' unrealistic demands, which very few people are ready to support, says Radovan Karadzic. He adds that the Muslims no longer bother to hide that a part of their strategy is to stall the negotiations and demand conditions that they know in advance will not be fulfilled.

When asked to comment concretely on the territorial demarcation with the Muslims regarding the division of Sarajevo, Karadzic said briefly:

I assure you that we are searching for honest solutions that will satisfy all three sides.

Serb Call for Sea Access Gaining 'Understanding'

LD0612201293 Belgrade TANJUG in English 2008 GMT 6 Dec 93

[Text] Trebinje, Dec 6 (TANJUG)—The Bosnian Serb demand for an access to the sea receives "an increasing international understanding because it is now being discussed parallelly with the Moslem demand," Bosnian Serb Parliament President Momcilo Krajisnik said on Monday.

In a statement to Trebinje Radio, Krajisnik said that the latest round of the Bosnia peace talks in Geneva had brought up the question of the access to the sea for Bosnian Serbs, in the area bordering with the F.R. Yugoslavia.

He said Moslems were to get the access to the Adriatic Sea in the area north of that to be given to the Serbs. In this case, he added, Moslems would have a road running along the border with Croatia and linking them to the Adriatic coast. Krajisnik said that the international pressure had weakened the Croats' opposition to the idea.

The Serb delegation in Geneva tried to eliminate the prevailing, but wrong opinion that Sarajevo is a Moslem city, Krajisnik set out. As the result of this, he added, the international community realised that Sarajevo must be divided into two cities.

Croatian President Franjo Tudjman said on Monday Zagreb was considering the internatinal proposal that Bosnian Serbs and Moslems be given access to the sea near Prevlaka (a peninsula on the Yugoslavia-Croatia border), instead of Neum which, he said, would remain Croatia's. Tudjman told a news conference in Zagreb that "it is too early to talk about a final solution."

Serbs Accuse Muslims of 6 Dec Sarajevo Shelling

AU0612212993 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 6 Dec 93

[Report by Marica Lalovic]

[Text] Muslim military and civilian authorities in Sarajevo are completely out of their depth, and it is obvious that they are thinking less and less about the consequences of their moves. Encouraged by the fresh mentioning of the siege of Sarajevo and the tactless threats of air strikes on the Serbian forces around town if the new clashes occurred, they targeted the innocent civilian population of Sarajevo with bombs again today.

Several projectiles landed near the Kosevo stadium, killing five civilians and wounding 19. The information service of the Sarajevo-Romanija Corps stated that the Serbian artillery was not in action today and that the projectiles that killed the civilians came from the Muslim positions around Kosevo Hospital.

Somehow, at the same time, the Muslim forces also attacked Grbavica and Lukavica with artillery, both positions of the Serbian fighters and residential areas. Fortunately, there were no casualties.

2d Corps Reports Morale Problems in Serb Forces

AU0612211193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Dec 93

[Report by Salih Brkic from Tuzla]

[Text] Rebellion among the chetnik units, an internal clash in Petkovici, desertions, and threats by Mladic [commander of the Army of the republic of Srpska] that he would detain and shoot all officers, as well as soldiers, if Majevica and Tuzla are not taken within three days are only some of the things that have been going on in the aggressor's troops after they were (?literally swept away) by the heroic defenders of Teocak and the free Zvornik territory.

War criminal Ratko Mladic tried in vain to command his brethren from (Lokanj), as this same (Lokanj) republic was also (?completely) destroyed. Mladic is thus ordering coffins from Bjeljina and threatening those who must now be kept under military police observation so they do not escape, while his chief Karadzic is threatening the officers whom he sent to occupy Olovo.

According to information from today's news conference in the command of the 2d Corps of the Bosnia-Herzegovina Army in Tuzla, intelligence information reveals that Karadzic has ordered the chetniks to occupy Olovo by 9 December.

The goals of the criminals are clear: to separate the Tuzla and Zenica regions, [word indistinct] military formations, but also to resort to the policy of accomplished facts before the continuation of the talks in Geneva.

Mladic called his offensive at Teocak and Zvornik a seminar, since some high-ranking chetnik officers around Teocak and Olovo had to pass exams for the entry into the world of hastily manufactured numerous Mladic's generals. However, all of Mladic and Karadzic's candidates for generals evidently failed the examination.

According to today's information of the command of the 2d Corps in Tuzla, the chetniks have attempted an artillery-infantry attack on the Visoka Glavica-Zecja Kosa line. Infantry arms fire was frequent along all lines, while there is also information that they are preparing new attacks from the direction of the occupied [word indistinct]. However, the defense heroes of Teocak and the Zvornik free territory are carefully monitoring all the chetnik's movements and, as always, are perfectly ready to face them.

Abdic Protests Claims of Serb Artillery Support

LD0612152093 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 6 Dec 93

[Text] Following a statement given to AFP by a UN Protection Forces [UNPROFOR] representative in Sarajevo, who said that Abdic's forces were probably aided by the artillery of the Serb forces from the occupied Croatian areas, Fikret Abdic's information office has issued a sharp protest.

First, the protest note vehemently denies that the forces of national defense used artillery in the fighting yesterday. The claim about the Serb help is, as they say, a lie and a dangerous provocation. The protest note adds that artillery was used only by the 5th Corps, which has been unable to quell the people's resistence, and this can be proved by solid evidence. It also resolutely condemns the UNPROFOR representatives' irresponsible statements.

Abdic Forces Prove 'Superiority' Over B-H Army

LD0612164693 Belgrade TANJUG in English 1555 GMT 6 Dec 93

[Text] Belgrade, Dec 6 (TANJUG)—Fierce inter-Moslem clashes in the autonomous province of western Bosnia (APWB) continued on Monday, after clashes during the past weekend in which forces of Fikret Abdic proved their superiority over the rival forces loyal to radical Alija Izetbegovic.

Around 700 men from Izetbegovic's units were captured in clashes near Cazin last weekend, and some troops defected to the side of the APWB defence, Croatian radio said on Monday.

According to Serb military sources, APWB forces are militarily more successful and are getting closer to Bihac which is controlled by Izetbegovic's forces.

Zagreb Radio quoted UNPROFOR [UN Protection Forces] officer Bill Aikman as saying in Sarajevo on Monday that the APWB forces successfully continued their offensive, advancing several kilometres to the east and south in the area of Bihac and pushing the enemy back towards Cazin. Aikman also said UNPROFOR had rejected a protest by Izetbegovic's Moslems on Sunday, accusing UNPROFOR of helping APWB troops by providing them transport through the Bosnian Serb territory.

Bosnian Serb military sources said the inter-Moslem fighting continued also around Zenica, Travnik and Bugojno, in central Bosnia-Herzegovina. Inter-Moslem clashes in western Bosnia-Herzegovina erupted after the proclamation of the APWB last October, when Izetbegovic decided to use force to suppress the territorial secession of the Cazin Krajina and the political independence of Abdic who calls for a peaceful solution of the conflict in Bosnia-Herzegovina.

Abdic Forces' Offensive 'Stopped'

AU0712114993 Paris AFP in English 1135 GMT 7 Dec 93

[Text] Sarajevo, Dec 7 (AFP)—The Bosnian Army has managed to stop an offensive by separatists loyal to Moslem leader Fikret Abdic in the northwestern Bosnian enclave of Bihac, a UN spokesman said here Tuesday [7 December].

Lieutenant-Colonel Bill Aikman, a spokesman for the UN Protection Force (UNPROFOR), said the mainly Moslem Army's Fifth Corps "reacted strongly" to the weekend offensive launched by Abdic's men and "has stopped them."

Abdic, a wealthy businessman, declared Bihac autonomous on September 27 sparking inter-Moslem fighting. His forces control the northern part of the enclave, located on the border with Croatia, while government troops control the southern part.

The secessionist troops had bypassed the government troops by moving through Croat territory to the west which is under the control of Serb separatists. The troops had then advanced several kilometers (miles) toward Bihac and the town of Cazin before the Bosnian army stopped them, Aikman said adding that "basically, that area is holding."

Bihac Official Protests UNPROFOR 'Bias'

AU0612155893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 6 Dec 93

[Text] Because of the increasingly obvious inefficiency and bias of the UN Protection Forces [UNPROFOR] in the Bihac region, (Hamdija Kaligatic), chairman of the Bihac Communal Assembly, has written to the [words indistinct] bodies of the Republic of Bosnia-Herzegovina, the UN Security Council, and other international organizations. The letter reads:

The inefficiency of UNPROFOR is reflected in the reaction to events, which are incompatible with the UN resolutions so far adopted and concern the inviolability of the internationally recognized borders of the state of Bosnia-Herzegovina. Proof of this are the frequent attacks by Fikret Abdic's forces, which are transported in buses from Velika Kladusa, via Slunj in Croatia, to the places that they then try to occupy. The latest examples of such attacks were noted in (Trsce) and [name indistinct] in the Cazin commune, where—in cooperation with the chetniks—obvious aggression was carried out. Such attacks and cooperation between the autonomists and the chetniks continue, and personnel and equipment are transported in the same way to [words indistinct] at some border areas in [word indistinct].

So far, no one has reacted to the latest cases of obvious violation of the Republic of Bosnia-Herzegovina's borders in the Bihac and Cazin commune on the part of the

mixed Serbian and Abdic forces. Not even UNPROFOR, under the command of General [name indistinct] in the Republic of Croatia, or UNPROFOR in Bihac county, under the command of Colonel (Legriere). UNPROFOR is not even searching or inspecting convoys that come from Croatia and the so-called republic of Serbian Krajina, which carry arms and equipment for the army of the so-called autonomous region of western Bosnia. This directly influences the further destruction of the constitutionally established organization of the Republic of Bosnia-Herzegovina. This is stated in the protest which has been lodged by (Hamdija Kaligatic), chairman of the Bihac Communal Assembly.

Attacks on Sarajevo, Teocak, Zvornik Continue

AU0612193693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Dec 93

[Report by Azra Sipovic Dubini]

[Text] The Serbian and the Croatian aggressors are using the time before a new round of Geneva talks to conquer territories drawn on their maps.

Sarajevo has been exposed to fierce artillery attacks throughout the day. According to the data from the Information Service of the 1st Corps, Brijesce has suffered attacks from antiaircraft machine guns and death-sowers. Several grenades were also fired there, while two 82-mm mortar bombs were fired at this settlement from the direction of Rajlovac. A little later, five 60-mm mortar bombs were again fired at this settlement from the direction of Rajlovac.

From the notorious (Osmice) the chetniks fired four mortar bombs at Vrbanja at approximately 1425, probably venting their anger on the civilians, as our fighters had responded to the provocative enemy fire in this area this morning and the chetniks had been forced to pull back and stop firing. One mortar shell was fired at Brezovska Street from the direction of the distribution center, while the chetniks have been pounding Mount Igman and the free territories of Hadzici commune from Osek and Blazuj. Two mortar bombs from the direction of Nedjarici landed on quarter D-5 in Dobrinja, while C-4 quarter in Alipasino Polje was attacked by three grenades. Two mortar bombs were fired at the lines separating our and aggressor's forces in Vogosca area.

The 17th day of the chetnik offensive at Teocak seems to be the most difficult so far. More than 2,000 projectiles of various calibers have landed in this area in the course of the day. The defenders of Obrcine and Laze are having the toughest time.

The chetniks have fired Maljutka guided rockets at Teocak again. One defender was poisoned and two seriously injured by poisonous gas. Smoke bombs were fired at the Teocak town center and it is thus not known yet whether the air force was also active. The defenders of Teocak remain firmly on their positions.

The Serbian aggressor has been attacking the free territory of Zvornik with the same intensity. All lines of defense have been shelled in support to attempted infantry breakthroughs. However, the defenders of Zvornik halted them all. The chetniks killed two civilians in today's shelling of this area.

Assembly President Meets With U.S. Ambassador

LD0612232093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 6 Dec 93

[Text] Miro Lazovic, president of the Bosnia-Herzegovina Assembly, has had talks with U.S. Ambassador to Bosnia-Herzegovina Viktor Jackovich about plans to develop the organization of the Bosnia-Herzegovina Assembly and about ways to end the war and create conditions for the legislative, economic, political, and democratic reintegration of Bosnia-Herzegovina.

Lazovic and Jackovich also talked about the serious humanitarian situation, especially in the besieged areas, and about the U.S. role and contribution to the efforts to implement the Geneva talks by delivering and providing humanitarian aid to the population under threat. Jackovich informed Lazovic about the efforts by the U.S. Government to provide immediate assistance to Bosnia-Herzegovina.

Tudjman Discusses Domestic, Foreign Affairs

LD0612174493 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 6 Dec 93

[Monthly news conference by President Franjo Tudjman with domestic and foreign correspondents in Zagreb—live]

[Text] [Rajic] Zeljko Rajic, Croatian radio and television. The recent agreement signed by the Croatian authorities and local Serbs from the UN-protected zones is part of the overall program of normalization. Could you comment on the extent to which we, i.e. Croatia and the local Serbs, have implemented the agreement so far? What can one expect from this agreement in future?

[Tudjman] Yes, there are those local agreements. They are part of this path to a general cease-fire agreement as a precondition for normalization of relations, primarily in the sphere of communications and economic links. I hope that this general agreement will soon take place.

[Beratovic] Zeljko Beratovic, GLAS SLAVONIJE. Mr. President, could you comment on UN Secretary General Butrus Butrus-Ghali's report regarding the implementation of resolution 871 and tell us what changes Croatia required to the cease-fire agreement with the local Serbs in order to have the document signed, as it has been formulated in the report, and whether Croatia will agree to open communications between Baranja and western Slavonia and between western Slavonia and Hungary in exchange for having the [Zagreb- Belgrade] motorway opened?

[Tudjman] In the course of negotiations on the signing of the cease-fire, agreement the Serbs were demanding some provisions which the Croatian delegation could not agree to. These details are being now discussed, hence there is no need to reveal them in public. Understandably, Croatia's demands for communications and economic links will also include demands for linking up eastern Slavonia and Baranja with the rest of Croatia.

[Saracevic] Saracevic, Deutsche Welle. Mr. President, I would like to know your opinion about the proposal with no alternative tabled by the Serbian People's Party and its leader Mr. Djukic who is also vice president of the Croatian Assembly? What is your opinion about the recent Serb-Croat roundtable talks held in Zagreb? Thank you.

[Tudjman] The proposal with no alternative includes, of course, good elements save the title itself—there is no such thing as no alternative. No political circumstances are just black and white without some other way out. As for this meeting, the Serbs and Croats, it is very interesting that the organizers of this meeting in Zagreb called it the Serbs and Croats rather than the Croats and Serbs, given the fact that it took place in Zagreb. I favor dialogue and taking steps, finding possibilities of normalizing Serb-Croat relations at every level and in all areas as a precondition not only for resolving the crisis in the area of the former Yugoslavia but for establishing some kind of a more stable international order in southeast Europe and the Balkans.

[Redzepi] Dijana Redzepi, BBC. Mr. President, under the EC plan, the resolving of Croatia's UN-protected zones is to be postponed until the second phase, during which the problem of Kosovo will also be resolved. There is also talk of similar status. Can Croatia tolerate a situation in which the enclave of Croatia's Serbs is treated in the same way as Kosovo which used to be a federal unit and had its parliament, government and borders? If yes, my second question....

[Unidentified official, interrupting] No, you cannot, later on.

[Tudjman] It is in Croatia's interest to solve the question of Croatia's territories that are temporarily being protected by the peace force. Understandably, this is crucial for Croatian state policies. As you know, democratic Croatia supports the rights of all other ethnic communities to exercise the rights that are guaranteed under international conventions. Only in this context can these issues be linked. The European Union today, and the United nations, are reviewing some wider problems beyond Croatia too. Croatia will approach these problems from its democratic platform. It will nevertheless insist on resolving the question of Croatia's territories under the protection of the peace force first.

[Crnjakovic] Aleksa Crnjakovic, VJESNIK. Mr. President, Mr. Juppe mentions, as regards the Muslims' access to the sea, a solution which is to the south of the one that was initially planned. What is this specifically about?

[Tudjman] Well, following Alija Izetbegovic's demands and those of the Muslim side for the territory of Neum, and moreover for territorial sovereignty in the Neum area, which I resolutely turned down on behalf of the Croatian delegation, and following the realization by international factors that this Croatian demand is justified, some kind of proposal has emerged to the effect that a solution perhaps can be found by giving the Muslims access to the sea. As you know, the Bosnian Serbs demand it, too, as they are arguing that they too have a right, that the Neum outlet is theirs as well. A proposal has emerged whereby this right to access to the sea would perhaps materialize in the southernmost part of Croatia in the Privlaka area.

Understandably, as this demand was raised by the highest-ranking international officials, we have been considering it because at the same time they let us know that Croatia should be compensated whereby Neum itself, which is at present within Bosnia-Herzegovina, will be an integral part of Croatia regardless of any further solution to the Bosnia-Herzegovina crisis and regardless of whatever happens regarding the emerging republics there. This is therefore something that—in the course of seeking peace between the European Union, the United Nations, the United States, and the interested parties, in

this case it means all three sides in Bosnia-Herzegovina, Croatia and Serbia—must be taken into consideration. Still, it is too early to talk of any solution. In any case this proposal, provided it is taken into consideration, will be studied by all those bodies that are in charge of this under the Croatian constitution.

[Correspondent] Netherlands Radio and television. West Europe is very concerned about the humanitarian situation in Bosnia-Herzegovina. Which concrete steps can we expect from your side?

[Tudjman] Herceg-Bosna Prime Minister Jadranko Prlic has informed me that for two months now there have been no contentious issues or delays in deliveries of humanitarian aid and in allowing safe passage to convoys as far as the Croatian side is concerned. In that respect Croatia will continue to use its influence, and Vice Premier and Foreign Minister Dr. Granic, as my envoy for these issues, will continue constant monitoring to ensure unhindered humanitarian aid deliveries.

[Correspondent] KUNA. Since in terms of international law Neum is still a part of the state of Bosnia-Herzegovina—when you say that Croatia will not allow a breakup of its territory, that is of its coast, for military and strategic reasons—that means that Croatia, which now controls Neum through the Croatian Defense Council [HVO], will not allow the use of the port of Neum to the future union of Bosnia-Herzegovina?

[Tudjman] First of all, there is no port in Neum. Not only is there no port, European experts have established that there is no possibility for building a port in Neum. Croatia, on its part, has expressed an extreme extent of understanding in trying to accommodate the demand for access to the sea for the Muslim Bosnian republic, by offering a free zone in the Croatian port of Ploce, and even in the port of Rijeka.

As I have mentioned earlier, another issue is being analyzed now, to possibly find another solution—which would be satisfactory for all sides, including international circles—through a corridor which would then also be the border between Croatia and Serbia.

[Modric] Modric, YOMIURI SHIMBUN, Tokyo. Mr. President, over the past week two events have taken place in New York. First, Mr. Ghali stated that there was no reason to review the changes to the UN Protection Forces [UNPROFOR] mandate in Croatia. Second, he appointed a man who is going to succeed Stoltenberg, a man outside the European sphere and who is neutral in a sense. What is your opinion about these two significant changes in the UN leadership's attitudes to Croatia?

[Tudjman] I would not say that this is a matter of change. In any case we may agree that the UN secretary general is trying to find solutions that will facilitate and speed up the resolving of both UN-protected zones and the crisis in Bosnia-Herzegovina. This change will enable Mr. Stoltenberg to fully concentrate on intensified negotiations within the framework of the conference on Bosnia-Herzegovina and the former Yugoslavia. On the other hand, Mr. Akashi, if I am right that is his name, is a very distinguished diplomat with a great deal of experience in the diplomatic service, the United Nations, and in dealing with the deployment of peace forces in Cambodia. According to our reports, his arrival should mean an increase in UNPROFOR's efficiency in these lands. We therefore welcome this step.

[Correspondent] Hungarian Radio. Mr. President, modus vivendi is an excellent Latin slogan. My impression is, however, that the Serbs and Croats render this modus vivendi differently. What is shared and beyond dispute in Croat-Serb and other negotiations is the fact that the Muslims and Serbs demand access to the sea. The internationally recognized Bosnia-Herzegovina has its outlet to the sea near Neum. Please explain what this dispute is about and why Croatia should to worry about Bosnia-Herzegovina's access to the sea?

[Tudjman] As for the first part of your question, or the first question about the modus vivendi, one should also say the following: It is clear that both sides—as it always happens even in everyday life, and particularly in interpreting even most basic legal provisions—end up with with differing interpretations and various views. Understandably, the Serbs would like to render the modus vivendi as a recognition of the present state of affairs in Croatia's temporarily occupied and UN-protected areas. However, it has been said on the part of the European Union, publicly and in our bilateral talks with the most responsible international factors, that they only regard this as a way of preventing a new Croat-Serb war from flaring up, as it might spread and bring about grave consequences not only to this area.

In this context, one should make it clear that not only the Serbs but the international public, too, was upset by our operation in Maslenica and by our operation in the Gospic area, that Croatia was preparing only military and armed solutions to the UN-protected zones, which is not true [sentence as heard]. We have sufficiently explained why we launched the Maslenica operation and later on the Gospic operation. We have convinced the world public that we are not preparing an all-out military offensive against the UN-protected areas, that we want a political solution. Hence, we accept this formulation—modus vivendi—on this basis as a transitional situation in which trust can be restored and preconditions created for a cease-fire agreement, preconditions for an agreement on restoring communications, road and railway traffic, power lines and pipelines, etc, for a gradual integration of Croatia's territories under the protection of the peace force into Croatia's entire economic, constitutional and legal system.

So much for your first question. Now for the second—Croatia is a party to these negotiations, because it is common knowledge that the Neum issue is of vital importance to the Croatian nation in general and to the Croatian state. The public at large does not know that Bosnia-Herzegovina acquired an outlet to the sea in

1699 as a Turkish province in return for Turkey's promise not to invade Dubrovnik as a deterrent against Venice. There were two outlets at the time, at Neum and Sutorina. Later on, communist leaders from Bosnia-Herzegovina, Serbia, Montenegro and Croatia decided at a meeting to cede the outlet at Sutorina to Montenegro and leave Neum to Bosnia-Herzegovina, which resulted in the territorial division of Croatia.

They ceded the Sutorina outlet to the Montenegrins while the Bosnians—Bosnia was then represented by Djuro Pucar, but also—on behalf of the Muslims—the person who took part, it was not Bijedic, I think it was Avdo Humo, if I am not mistaken—they got some forested areas suitable for hunting [sentence as heard]. In any case, that is how things were arranged at that time, with no consideration for the strategic interests of the Croatian state and nation. Quite to the contrary; there had even been proposals that Dubrovnik should be immediately annexed to Montenegro. This was taking place in 1947. Luckily, there were some reasonable people then—even on the Montenegrin side—who said that this could have unforeseeable consequences, that it could create an untenable situation, etc.

But let us return to Neum. Neum is an anomaly, it remained in Bosnia-Herzegovina quite by chance, but this is Croat territory, populated by Croats, and belongs to those regions designated as Croat regions by all plans, from Cutilheiro's cantonization and Vance-Owen's provinces to Stoltenberg-Owen's republics; that is, as regions belonging to the Croat Republic of Herceg-Bosna. It was only on this basis that all the three envisaged republics could acquire an outlet to the sea. There are proposals now—provided an acceptable outlet is found for the Muslims and Serbs—to incorporate Neum into Croatia before the division of Bosnia-Herzegovina and create a corridor both as a line of separation and as an international guarantee in regard to this problem. In all, this is a complex problem but it is also an issue in the interest of peace and the creation of preconditions for the stability of the international order in these parts, and that is how it should be resolved.

[Leric] Luka Leric, Argentine correspondent in Zagreb. Mr. President, you mentioned these compensations—Neum on one side, Prevlaka on the other. Would Croatia agree to this at this moment—the Republic of Croatia—to get Neum in return for giving up Prevlaka?

[Tudjman] I will answer that right away. It would not agree to this as a single swap. Therefore, what is at issue here is a comprehensive settlement that would include the Dubrovnik hinterland as a strategic guarantee of Dubrovnik's security. Moreover, Croatia should get a compact chunk of territory in the area of the republic of Herceg-Bosna, which is of vital interest for the Croatian state.

[Leric] So Croatia would agree to that.

[Tudjman] I did not say it would agree but that we are studying these issues from the standpoint of the political and long-term interests of the Croatian state.

[Leric] Allow me just one more question about this corridor that you described as acceptable to all three sides. Can you tell us more about it?

[Tudjman] There is nothing else to say for the time being. The corridor is an issue under discussion and nothing else should be revealed about something that is still in question. There will be plenty of talking throughout the current month at various locations and at various levels.

[Ramljak] Olga Ramljak, SLOBODAN DALMACIJA. At the start of the conference we talked about the proposal by the Serb People's Party. We spoke about the assurance given by Croatia that it would not intervene militarily to liberate the areas currently under UNPROFOR protection.

[Tudjman, interrupting] If we can find a political solution.

[Ramljak] The proposal by the Serb People's Party refers to the UN-protected areas which cover an area much larger than the two counties in which the Serbs were in a majority before the last population census and which enjoy special status. The usual reaction to the question of how it is possible to seek additional minority rights which would apply throughout the entire UN-protected area is: That is the reality. If this is the way problems are being solved, Milan Martic [Krajina interior minister and presidential candidate] has indicated that after 12 December he will unite his lands with mother Serbia. Will this be accepted as reality? If we have to reassure the international community that we will not intervene militarily, what has the international community been doing to assure the Croats that they will be able to return to the areas from where they were expelled, and when will this happen?

[Tudjman] Mr. Milan Djukic, or Martic or whoever, can set demands or put forward proposals, more or less realistic or totally unrealistic, but there is no doubt that the Croatian state is a reality, as are guarantees by the international community and the European Union as a whole and by the major states or powers within the European Union and in the world that they recognize and not only recognize but that they will to the very end support Croatia's right to revert all the disputed areas to its territorial and economic and legal system. This is the reality. It is also the reality that the crisis in Bosnia-Herzegovina will be resolved in a way that will leave Croatia not weakened but rather strengthened.

[Correspondent] HINA. Mr. President, what is happening with the international monitoring of the borders between Croatia and Serbia and Croatia and Bosnia-Herzegovina—is this not one of the main Croatian demands?

[Tudjman] Yes, this is one of our main demands that UNPROFOR has so far failed to meet. It is included in resolution 871 and, of course, Croatia will insist on this demand being met and—there is the rub when it comes to reintegrating UN-protected areas in Croatia and to normalizing Croatian-Serb relations in their entirety.

[words indistinct] Mr. President, recently, financial assistance to Croatia—to help its recovery—has increasingly been mentioned in international circles but it is of course also pointed out that it is necessary that Croatia should be cooperative in the negotiations. It seems that Croatia is being cooperative but the money is not arriving. Could you tell us if there will be credits soon?

[Tudjman] Well, the international community has publicly made it clear for the first time that it is ready to help Croatia and, of course, we have to be interested in obtaining financial assistance but, as you know, and as the public knows, we are implementing—besides our political regeneration and the establishment of the democratic state of Croatia—our economic regeneration, stabilization, and reduction of inflation, without financial credits. And perhaps we will, as some of you have written, come out of the war without—or rather it seems to me that this statement was by Dr. Radic—that we would emerge from the war without owing the world a dollar.

I was very interested to hear from an internationally recognized expert on economic questions, especially as regards the fight against inflation, Mr. Buchi Buc, who said that in Chile they won this battle without international assistance and that Croatia was in this regard in a significantly better situation in every sense. He was also optimistic about what we have achieved and what we intend to do—naturally, provided we are consistent in the implementation of our program. And there is no reason why we should not be.

[Correspondent] Mr. President, will Croatia accede to the proposal by the Austrian foreign minister that the international community be allowed to have financial patronage over the refugee centers?

[Tudjman] Croatia will accede to any help which does not bring into question our sovereignty [laughs] over any areas and also, therefore, over the refugee centers.

[Todorovska] Ilonka Todorovska, Radio-Television Slovenia. If you can, can you please comment on the latest halt in the settling of Slovene-Croatian relations, especially, if possible, in the context of the great disagreements over tourism facilities—Slovene tourism facilities in Istria—and the Krsko nuclear power station. Thank you.

[Tudjman] We in Croatia regret that this halt has come about and that we have really not been able to resolve all open questions as soon as possible. We are surprised that someone could raise the problem of Slovene tourism facilities in Croatia—something they acquired by various means—at a time when Croatia is caring for hundreds of thousands of refugees from Croatian areas and hundreds of thousands of refugees from Bosnia, when Croatia even had to use its most luxurious hotels for accommodating these refugees. It is incomprehensible that the Slovene side is saying that we accommodated some of these refugees in some of these Slovene tourism facilities.

And as regards other questions, I believe that it is worrying that in Slovenia there are people who want to exploit the difficulties facing Croatia—as a result of its territory, Croatian territory, being occupied or protected by the peacekeeping forces and because Croatia is clearly engaged in resolving the Bosnia-Herzegovina crisis—and who think that they can impose on Croatia some special demands to resolve the open questions between Croatia and Serbia—I mean Croatia and Slovenia.

I still believe that the wish to resolve all open questions will prevail in official Slovene policy. I am convinced that we will resolve all issues with Slovenia to the benefit of both countries.

[Correspondent] BBC. Mr. President, you have said that by Christmas you will travel to [Slavonski] Brod via [Serb-held] Okucani. Can you be specific: What date is it going to be?

[Tudjman] I cannot say. I would really want it to be by Christmas. But I hope it will certainly be soon.

[Correspondent] Mr. President, what is your comment on the constant and increasingly frequent accusations by both the Croatian opposition and by some individuals who have been part of the Croatian authorities, that there is no clear concept in Croatian policies and they they are always trailing behind events?

[Tudjman] There have certainly been such opinions. Apart from saying that there is no policy, it is also being said that there is no strategy. If we had not had our policy and our strategy we would not have had an independent, democratic Croatia. Those who are saying that we do not have them also say that we should have consensus, that everybody should be given the chance to express his or her opinion. They have to be reminded that everyone in this Croatia has the possibility to speak in the Croatian parliament, on Croatian television and radio and in public discussions, therefore everyone has the chance to express his or her opinion. I think I have already told this distinguished audience that a clever man can learn something from everyone, therefore the Croatian state leadership listen to what people are saying but they also conduct the policy which enabled us to achieve what we have achieved, which made even those international circles which were not well-disposed toward Croatia to not only recognize it, but to count on it today as on an international subject with which international order in this area should be built.

I would like to remind those who say that we have not had and that we do not have a strategy of two facts. In the autumn of 1990, after the tree-trunk revolution in Knin, I asked the question, and we discussed it—how to act in such circumstances—there were those who realistically thought that we could not quell the rebellion in Knin unless we defeated the Yugoslav People's Army, since it was behind the Knin rebellion, with a whole corps based in Knin itself. There were those who proposed then that we storm all the barracks in Croatia. That was in autumn of 1990.

There were also those who [laughing] proposed that we launch an all-out attack against the Yugoslav People's Army, on all barracks, during the so-called war in Slovenia, the border war.

Understandably, I could not accept either of these proposals, for we neither possessed the weapons for a confrontation with the Yugoslav army and navy, nor did the internal political circumstances in the former Yugoslavia—we were then still linked with the constitution of the socialist federation [laughing]—or the international conditions allow us to do so. Had I accepted these proposals we would have headed for a military defeat, Croatia would have been in ruins, and we would have—on top of all that—probably been declared aggressors in our own country, and perhaps even sanctions would have been imposed against us for violating the constitutional order of the still-existing Yugoslavia and the international order.

Ladies and gentlemen, even now, this same international community, the European Union, the world organization and the most important world superpower, the United States, even now they are not just advising us not to opt for a military conquest of the occupied territories and the Croatian territories under UN protection but are openly threatening to impose sanctions against us despite the fact that Croatia has been recognized and that it has diplomatic relations with the majority of the most important countries and that despite all this Croatia has succeeded in consolidating its positions on the international scene. And what would have happened if I had accepted those imprudent recommendations at the end of 1990 and in the summer of 1991? This is my answer to those who insist that we have no strategy of our own. And my message to those who say that we have no policy of our own is: Croatia's policy was and will continue to be, first to set up and then to consolidate an independent and democratic Croatia throughout its territory and within its internationally-recognized borders; the defense of the interests of the Croatian people in Bosnia-Herzegovina, and primarily in the areas of importance for the stability of the Croatia state in the future.

Once the international community failed to take effective steps to prevent Serbian aggression and the virtual breakup of Bosnia-Herzegovina, we were, understandably, forced to direct our efforts to saving what we could in Bosnia-Herzegovina and not to succumb to the illusion that we could preserve Bosnia-Herzegovina as an entity, a Bosnia-Herzegovina in which the Croatian population was gradually shrinking over decades; we began to lose Bosnia-Herzegovina demographically; as far back as in 1948 Croats made up 24 percent, or more precisely 23.9 percent in Bosnia-Herzegovina. Today, first as a result of Serb and then of Muslim hegemony, their numbers fell to under 17 percent; in other words, we were forced to pursue the kind of policy that would help us to protect both the Croat population and the territories of importance for Croatia's future. We also had to accommodate our policy to be in line with that of the international community and the nature of current relations in the world. I think that we have fully succeeded in this. Of course, all this is yet to be finalized but we can, nevertheless, hope that Croatian interests will be safeguarded.

In other words, there is a Croatian policy and the fact that there are people who disagree with it and think that their policy is the one to be pursued—that is a matter of personal judgement and of people losing themselves in illusions and irrational thinking, etc.

[Badurina] Ingrid Badurina, LA STAMPA. Mr. President, what is your comment on the destruction of the old bridge in Mostar?

[Tudjman] The destruction of the old bridge in Mostar occured within the context of a war. From the historical point of view, of preserving historic monuments and transport facilities, I considered it damaging. For my part, I can openly tell you that I have sent a request to the Herceg-Bosna leadership to investigate why this happened and to call those who did it to account. However, that act, as well as all other events there, has to be judged as part of a war of the kind that is being waged in Herzegovina. Unfortunately, the international public sometimes devotes too much attention to Ahmici, Stupni Do, and now to that bridge. This is sufficient reason for one to ask the question: Why is this happening, and why is it being recorded with so much vigor, while at the same time people forget that on the other side, and specifically in the all-out Muslim offensive against the Croatian areas in central Bosnia and Mostar, ten times more crimes and much worse ones were committed against the Croatian people and Croatian cultural monuments.

[Leric] Luka Leric. Mr. President, you have just mentioned the sentencing of war criminals. One judge of the International War Crimes Court for the area of the former Yugoslavia has accused Britain and France of not wanting to cooperate with the International Court regarding some information about war crimes in this area. How do you view the International Court at the present time and will Croatia accede to its citizens—if they are summoned to bear witness before this court—leaving Croatia? Thank you.

[Tudjman] Croatia has stated that it is in favor of the setting up of the International War Crimes Court. Furthermore, at the last Geneva conference I said—together with the EC Council of Ministers—I was in favor of invoking Serbian responsibility, not only the responsibility of the perpetrators of war crimes but of those who are preventing a political solution from being reached and preventing a cessation of the war. In this context, of course, Croatia will be prepared to cooperate with this court, but of course, this is not solely a matter for Croatia but also for the international community and all sides in the conflict.

[Correspondent] VECERNJI LIST. The last question, so let it be a little bit of an unusual question. I would like to make a connection here with sport—politics and sport. At first sight it does not appear there is a link. However, it seems to me that there is a connection. You can often be seen at sports events. Some people link this to your [word indistinct]. However there are some who speculate in this way. They say the president predominantly attends this or that event or is predominantly at this or that club or these or those clubs, and he avoids others. Does this mean he favors certain areas or clubs? I believe that at first sight there is no significance in this, but in public this is rather [word indistinct].

[Tudjman] Sport is above all a very broad area of activity not only for young people but also for the population at large. It has great importance both in domestic and international life. The success of an Ivanisevic or now a Milosevic [swimmer] could have greater influence on some of international circles than the activity of one or two ambassadors. That is their importance.

As regards me personally, I personally like taking part. If you are interested in this, I played tennis last night with hot and good opponents. I also like watching various sports; it is true I do not have an equal affinity for all of them,but I like watching international matches involving Croatia.

As regards favoring this or that club, I can say that I have said that - for Croatia it could be said that the most important sport is football; it has the greatest number of participants and viewers—I said that in all areas of sport, including football, a policy should also be conducted. What kind of policy? We do not need 18 clubs in the First Division. Why? Because it costs money. One First Division club costs more than Croatia can currently spend in the field of, say, culture. So let us be realistic. There are as many clubs as Croatia, with its human and territorial potential, can bear. It is clearly not difiicult to come to the conclusion that in keeping with other middle-ranking states, we cannot have 18 or 20 clubs but 10 or 12 clubs. At the same time let us be realistic. You see, whether it is a matter of football or some other sport, everywhere in the world these 10 or—I do not know—12 [clubs] cannot likewise always have the same results as some clubs in the world which have their traditions and which are a show-case for their countries.

Here, too, we should be realistic because this is linked both to sports' facilities and to the viewers and to the scope for development to achieve the highest level. I can say here, as you have asked this kind of a question, that I seem to recall that Hajduk [Split football club] lost a match in Zagreb against Zagreb and that many people asked what would become of Hajduk. I said: It is quite clear: Both for sports and political reasons, Croatia must have an interest in there being—besides Kroacija in Zagreb—a strong Hajduk.

I was unusually pleased to see—if I am not mistaken again, if my memory serves me right—Hajduk winning in Osijek following its defeat in Zagreb. In other words, I value sport, I wish to participate in it, I am aware of its political significance both inside the country and abroad. I cannot attend all events that I would like to for reasons of state but, in any case, in this sphere I wish to be and am the president of all Croats and not only of one area, or of Zagreb, and I wish to be friendly with all clubs. This does not mean that one or the other tennis player or one or the other club is closer to my heart. On the whole I want sport in Croatia to develop in such a way as to make our young people preoccupied with their physical and spiritual development rather than being left at the mercy of present-day evils—which unfortunately we cannot avoid.

In light of all this, I would like officials from sport organizations, from sport spheres, to pay even more attention to the ways of making sport accessible to as many people as possible both for recreation and as a way of achieving top results, but at the same time ensuring that this does not happen at the expense of culture, science, and the overall development of Croatia, in general. Thank you.

Krajina's Jarcevic Dicusses Peace Negotiations

AU0312141293 Zagreb DANAS in Serbo-Croatian 30 Nov 93 pp 7-8

[Interview with Slobodan Jarcevic, foreign minister of the Serbian Krajina, by unidentified correspondent in Belgrade; date not given: "We Will Negotiate With the Croats"]

[Text] It is neither easy nor difficult to reach Slobodan Jarcevic, who styles himself minister of foreign affairs of the self-declared [Serbian] "state" in Croatia. It only took a telephone call and a short conversation—"Be in my office at Terazije [in central Belgrade] in half an hour."

In the context of President Tudjman's peace initiative, this representative of the rebel Serb minority in Croatia agreed to answer certain questions and state his solution to the Croat-Serb conflict in the Republic of Croatia for DANAS. It is difficult to talk to Slobodan Jarcevic, especially as you are not certain if his radicalism is his own belief or part of the propaganda for his increasingly discontented supporters. Under normal circumstances an interview with Jarcevic or any of his lot would never

have been published. However, as Jarcevic has, through the mediation of the international community, been negotiating a solution to the conflict with the Croatian side, there is sufficient reason to publish this interview after all.

[Correspondent] Officials of the Republic of Croatia negotiated with the Serbian representatives in Oslo in early November. What were the talks about, and why were they interrupted?

[Jarcevic] We went to Oslo because we had been promised that there would be no discussion of politics—that we would not discuss the future of Krajina; we were supposed to discuss the normalization of relations. The first item concerned the establishment of a cease-fire and the ending of the hostilities, and the second the opening of roads, pipelines, postal and telecommunications services, and transmission lines.

We did discuss that the first day, and we were close to signing an agreement, convinced that some of it would come about, as Hrvoje Sarinic, head of the Croatian delegation, had said that he had been given full authority to act, and that he would need neither any further consultation nor approval for what he accepted during the negotiations. In this atmosphere we did not want to make any concessions and enable the consolidation of the economy and transportation in the Republic of Croatia without, naturally, asking the same for ourselves.

[Correspondent] What did you ask from the Croatian delegation?

[Jarcevic] As a precondition, we asked for the lifting of the sanctions against Krajina, included in item 12 of Resolution 820 of the Security Council. The deputy cochairmen then promised that they would do anything to make the Security Council withdraw the item through an announcement or a correction to the resolution, as it would be useless to open the roads if we could still not import or export. We also asked for access to one of the harbors at Zadar and the reestablishment of traffic from western Slavonia to Hungary.

Everything was all right until Tudjman's letter to the UN Security Council appeared. It was sent on 2 November, and it contained the explanation of the way in which Croatia was to resolve the issues concerning the UNPA's [United Nations Protected Areas]. The contents of the letter were such that our delegation rejected the proposal as early as at the next meeting that day. These were the positions that Croatia has not given up for three years. The time for such proposals was in 1990 and 1991, but then Croatia was the one to refuse any thought of autonomy for the Serbs in Croatia. Now that the Serbs have had their own state for three years, we can not go fall short of that.

[Correspondent] There has been much talk about a new Yugoslavia lately, and it is said that it would also include Croatia. How do you see your position in that context?

[Jarcevic] It would, naturally, only imply relations between two neighboring countries. If some new Yugoslavia were to be established, or a union in which some of the former Yugoslav republics would be included, including Islamic Bosnia, we could accept the idea, because of a common market, communications, and other things. We would enter such union as a separate unit, with the same rights and obligations as the other units. We will in no way allow our interests to be neglected, or to enter such a union as part of the Republic of Croatia.

[Correspondent] Still, there is talk that the Serbs in Croatia will have the same degree of autonomy as the Albanians in Kosovo. What do you think about that, and do the rumors about the exchange of territory, for instance, western Slavonia, have any basis?

[Jarcevic] Kosovo is nothing to do with the question. It is a separate problem, and cannot be linked to us. An exchange of territory is out of the question, and our government has never discussed that with anyone. I often hear these rumors from UNPROFOR representatives. As far as western Slavonia is concerned, there can be no territorial exchanges there or in Posavina. Both are ethnically Serbian territories. Even after the genocide against the Serbs in these areas, over 50 percent of the land remained under Serbian ownership. In one part of western Slavonia toward the Hungarian border, which we do not control, the Serbs were the majority. There were 97,000 Serbs living there and 37,000 Croats. Now, after the ethnic cleansing, there are some 14,000 Serbs there. That means that this territory, controlled by Croatia, is ethnically Serbian. Croatia should thus return certain territories to us. I do not claim that there are no small enclaves where Croats were in the majority, such as Drnis and its surroundings, which is now under our control. Corrections are possible, but we should be given certain territories that are now under Croatian control.

[Correspondent] Which ones, for example?

[Jarcevic] I am no expert in this, but those who are familiar with the ethnogenesis of the Serbs in these areas would present our program and state our demands in the event that some minor territorial corrections were made.

Our greatest interest would probably be access to the sea. We have villages near Zadar that were completely Serbian—Kuburina, for instance, in which Croatia has erased all traces of Serbdom.

[Correspondent] What is your opinion of the Serbian intellectuals who represent the interests of the Serbian people in the Republic of Croatia, Messrs. Pupovac [president of the League of Social Democrats] and Djukic [president of the Serbian National Party], for instance?

[Jarcevic] We support anything that they do to improve the living conditions of Serbs in Croatia. However, we cannot accept what they are doing at the international level, often in UN bodies. For instance, Mr. Djukic has

sent a letter to the Security Council, claiming that we have no right to represent all the Serbs in Croatia, as only a quarter of the Serbs in Croatia live in the Krajina. He has brought disgrace on himself and the parliament, in whose name he sent the letter.

We answered simply: "If 500,000 Serbs, which is how many live in Krajina, is a quarter of the total number, then there are about 1,500,000 [more], which, with the figure of about 300,000 expelled, amounts to the incredible figure of 2,300,000 Serbs who lived in Croatia. Considering that there are also other nationalities in Croatia, we have established that the Serbs are in the majority in Croatia, and asked for our own authorities in Zagreb. We have offered firm guarantees that the Croatian minority would be granted minority rights according to all European standards." The reason that I am saying this is that their activities reflect the policies of the Government of the Republic of Croatia.

[Correspondent] What if the international forces which have influence over the resolution to the crisis in the former Yugoslavia, and Croatia, insist that the UNPA's are an integral part of the Republic of Croatia, and if the international community determines the instruments for the implementation of this position?

[Jarcevic] If the international community wants to use military forces to help Croatia, let them do so. Let them exterminate us, expel us, or give us a territory in some part of the world where we will live. We will not accept any document or Security Council resolution that asks us to return to Croatia. Such documents of low legal effect can not outweigh the UN Charter and other international laws on the forming of a state. We will abide by the principle that Western Europe offered to the Yugoslav nations in 1991, in which it is said that an entity becomes a state when it has a territory, a people, and a legislative authority. Slovenia and Croatia were recognized on the basis of that, but Krajina was not. Is this not a matter of double standards after all?

[Correspondent] What will happen if Croatia tries to retrieve the territory that is at the moment not under its control by military means? Is there any chance of that happening, especially after the dramatic news from central Bosnia, and what will be your response?

[Jarcevic] At the moment Croatia has about 150,000 people under arms. Their present failures in Bosnia are a consequence of the fact that they did not take the war with the Muslims seriously. They still believe that in several days, weeks, or a couple of months at the most, they could defeat the Krajina, the republic of Srpska, the army of [Bosnian President] Alija Izetbegovic, and at the same time wage war with Yugoslavia. They really believe that.

Croatia now has modern arms. It has imported planes, tanks, long-range artillery, and missile systems. However, they should not be deluded: They will not only fight small-scale battles, and at a suitable time. The moment they cross our border, they will be at war with the republic of Srpska, too, and we will have the same number of soldiers and will not be able to lose such a battle.

[Correspondent] What would be the Serbian reply to a possible Croatian offensive?

[Jarcevic] It would certainly not be like the ones that we have given so far. We will attack vital Croatian centers. We will not leave Croatia at the present size. Battles will be fought where we want them, and when we want them.

[Correspondent] Do you expect the negotiations interrupted in Oslo to continue?

[Jarcevic] We have expressed our wish for an early resumption of talks at a time and place convenient for the Croats. However, Croatia and Krajina are out of the question, as they would use it for propaganda purposes. As far as they are concerned, Knin and Topusko are Croatia, and they would probably spread the story about the negotiations being held in Croatia. To us, this is not Croatia, nor will it ever be.

President Wants Role of Commander Role Defined

AU0612202393 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 6 Dec 93

[Text] During one of the previous State Chamber sessions, the deputies, when discussing a proposal of the defense law, also asked for the opinion of the president of the state.

President Milan Kucan sent his opinion to Parliament today, departing from the constitutional provision that the president, by representing Slovenia, is also the supreme commander of the Slovene armed forces. He also writes that the Constitution does not define the role of the supreme commander and allocate authorities but leaves them to be regulated by a law.

The defense law should, therefore, clearly define the authorities of the president of the state as the supreme commander and the government and ministers, as well as the hierarchy in the command within the armed forces and the attitude of the State Chamber, especially its supervisory function.

The authorities of the president as the supreme commander must be defined in such a way that he will be able to protect the constitutional values for which he has the basis by being directly elected. He must have necessary information and powers at his disposal as well as legally prescribed instruments with which he would be able to secure observation of the Constitution and laws in commanding the armed forces.

According to the Constitution, the president of the state is the supreme commander. For this reason, the chain of command must be defined in such a way that the president can perform this function. The commander of the General Staff must be accountable for the situation, work, and combat readiness of all commands and units under him. On the basis of the prevailing legislation, the defense minister cannot command the army. The commander of the General Staff and other commanding officers must have, according to the law, exclusive responsibility for military leadership and command within the Slovene Army. On the proposal of the commander of the General Staff, the president of the state should endorse the plan of combat readiness, mobilization, and use of the armed forces.

The commander of the General Staff is militarily subordinated to the president. For this reason, he should be appointed by the president at the proposal of the government. At the same time, the commander of the General Staff should submit his resignation when a new president takes office. The awarding of the first military rank and the promotion of officers should be the responsibility of the president, however, he can transfer certain such authorities to the defense minister.

According to the law, the president of the state should realize the supreme leadership and command, while the government and the defense minister should enjoy powers necessary to organize the functioning and development of the armed forces. In accordance with the decisions of the State Chamber and the government, the defense minister should direct development and activity of the army.

The law should render that the president can transfer certain commanding functions to the defense minister. Namely, the proposed law entrusts the leadership solely to the defense minister. The defense inspection should be independent.

A concept of the security-information and counterintelligence protection of the state should be worked out as soon as possible. A national security council, interministry commission, or a committee should be formed to direct, coordinate, and supervise.

If the State Chamber wishes to regulate the command to the armed forces and supervision of the command and leadership of the armed forces differently, it must first change the prevailing legislation, the president of the state wrote in his opinion. However, even in such a case, the crucial role of the State Chamber in deciding on all fundamental issues regarding defense and state security should be preserved.

The present defense and protection law caused various interpretations in the practice regarding officers' ranks, promotions, and the awarding of medals. The interpretations of the provision that professional soldiers and policemen cannot be members of political parties also differ.

The proposed defense law, the president of the state concludes, is written just as the constitutional changes that give the defense minister the authority to command the army would have already been passed. If the State Chamber opts for such a change of the Constitution, the law proposed in such a form could serve as a good basis for further debate.

Federal

Kontic Accuses Croatia of Misinformation

LD0612200193 Belgrade TANJUG in English 1801 GMT 6 Dec 93

["Pool" item]

[Text] Belgrade, Dec 6 (TANJUG)—Yugoslav Prime Minister Radoje Kontic has told UNPROFOR [UN Protection Forces] official Cedric Thornberry that Croatia "keeps on manipulating with misinformation about POWs, while rejecting to fulfill its obligations."

In a letter, sent to Thornberry ahead of the Yugoslav-Croatian talks on the exchange of POWs which resumed in Geneva on Monday [6 December], Kontic asked the head of the UNPROFOR civil affairs to help resolve the problem.

The talks, discontinued 15 months ago, have been organised by the International Committee of the Red Cross (ICRC) and will focus on the implementation of the Budapest-Geneva agreement on the exchange of POWs and search for missing persons.

Croatia failed to respect the agreement, and in a document which has circulated at the U.N. for over three months, it accused the Federal Republic of Yugoslavia of detaining some 10,000 Croat POWs. Kontic denied the allegation, saying that the F.R. Yugoslavia has on several occasions proposed the formation of a commission which would inspect all locations in the former Yugoslavia where Croatia claims POWs were held. The proposal, including an eventual publication of the investigation results, elicited no reply by Croatia.

Kontic said that Yugoslavia had released all Croat prisoners in the latest exchange near osijek on August 14, 1992. Over 1,000 people were exchanged on that occasion, and the Yugoslav side freed 200 Croat soldiers suspected or convicted for war crimes against the Serbs. Kontic said that the Yugoslav Government was also ready to talk about a group of Croat terrorist who tried to blow up a bridge on the Danube river, near Bezdan. He said the "members of the group cannot be called prisoners of war, and the F.R.Y. has no obligation to exchange them." But, he added, Croatia must first comply with the Budapest agreement of August 7 last year, it must make a list of all members of the former Yugoslavia's army and F.R.Y. citizens held in its prisons, and allow the ICRC to visit them and mediate in their release. According to Yugoslavia's official figures, there are some 1,000 Yugoslav prisoners in Croatia.

Kontic also denied Croatia's allegations that the Yugoslav authorities were not giving information about the detained and missing persons. He said the F.R. Yugoslavia responded to every inquiry by the ICRC and other humanitarian organisations, and gave information about the wounded and missing persons from Vukovar (which the former Yugoslavia's army liberated in late 1991).

Serbia

Seselj Accuses Socialists of 'Rigging' Votes

AU0612153293 Belgrade BORBA in Serbo-Croatian 3 Dec 93 p 5

[Report by G.K.: "How Come There Are so Many Voters in Pristina and Leskovac"]

[Text] Belgrade—According to Vojislav Seselj, the sudden increase in the number of voters in Pristina and Leskovac is a swindle by the Socialist Party of Serbia [SPS], since, in his words, it is impossible that there is no change in the electoral body in seven constituent units. "Somebody must have died, somebody must have moved in or out, and some people must have come of age in a year," Seselj says.

"It is impossible that so many new voters have been found in Kosovo and Metohija. It is obvious that the Socialists are preparing to do some rigging there. The worst Mafia is at work there—the Socialist Mafia together with [Zeljko Raznjatovic] Arkan's criminals. The Socialists are preparing similar swindles in Leskovac, since there has been an increase of some 40,000 voters there."

"The SPS is panicking," Seselj says, "since the latest polls are giving them less of a chance. The polling done by the Partner agency has been rigged since that agency works according to their dictate. The Medijum agency is also very close to the Socialists, but even there things are not going as well for the SPS as they initially claimed. Now that objective agencies have been established, the Socialists are running scared and now they are demanding that no more polling be done."

As for the unification of the opposition, Seselj says that this initiative is a trick played on some opposition parties, and that those who sent [former Federal Prime Minister] Milan Panic want the SPS to win. Fortunately, most of the parties, including most of the people in the Democratic Party of Serbia, know that well, Seselj says.

Seselj Expects Little Change From Elections

LD0612210493 Belgrade TANJUG in English 2026 GMT 6 Dec 93

[Text] Belgrade, Dec 6 (TANJUG)—President of the Serbian Radical Party (SRS) Vojislav Seselj on Monday [6 December] said the socialists could not win the parliamentary elections in the Republic of Serbia on December 19, but the elections would not effect any major change in the composition of the republican legislature. "Socialists cannot win," Seselj set out at the panel "TANJUG's Guest." He said he did not expect any greater change in his party's number of seats in parliament either. The early parliamentary elections were called on October 20, after President Slobodan Milosevic dissolved the republican parliament, at the

proposal of the minority government of the Socialist Party of Serbia (SPS), because the decision-making mechanism was blocked.

The SPS had 101 of the 250 seats in the dissolved parliament, which enabled it to form a minority government. The SPS government had the support of the radicals, who had 73 parliamentary seats, until autumn this year. The SRS leader said the opposition had won the previous early elections, in 1992, but the SRS 'did not have with whom to cooperate' at the time, because he said the Democratic Party (DS) was too weak.

Seselj specified that his party could cooperate after the upcoming elections with the DS and the Democratic Party of Serbia (DSS) because of "a radical change in their position on the national issue." Seselj did not, however, rule out cooperation with the socialists, Depos, and the newly formed Party of Serbian Unity (SSJ), headed by Zeljko Raznjatovic Arkan. Seselj said his party's goal had always been the downing of President Milosevic. "If we are strong enough in the assembly, we will down Milosevic by parliamentary means, but we will not let this be done by somebody from abroad or by means of force," Seselj said.

The SRS president said it was in the Serbian interest for the war in the former Yugoslav Republic of Bosnia-Herzegovina to end as soon as possible. He set out, however, that "regrettably, there will be no peace for quite some time." Seselj feels that the Bosnian Muslim leaders do not want peace because the proposed division of Bosnia-Herzegovina into three ethnic states—Serb, Muslim and Croat—would mean their downfall.

32 Parties To Contest Elections

AU0612155993 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 6 Dec 93

[Text] According to information processed by the Serbian Institute for Statistics, 155 lists of candidates were submitted in all nine electoral units in Serbia by 1200 today. Out of these, 27 were submitted in Belgrade, 21 in Zrenjanin and Kragujevac each, 12 in Leskovac, 17 in Nis, 14 Novi Sad, 11 in Pristina, 13 in Smederevo, and 19 in the Uzice electoral units.

As Zoran Djumic, spokesman of the Republican Electoral Commission, told journalists at a news conference that the Republican Electoral Commission has so far confirmed the electoral lists of 32 parties, six coalitions, and 27 groups of citizens. Journalists were also informed that, according to the information processed so far, 3,849 deputy candidates have so far been registered to run in the parliamentary elections in Serbia.

Macedonia

PDP Leadership Announces Resignation

AU0612180493 Skopje MILS-NEWS in English 6 Dec 93

[Unattributed report: "PDP Leadership Resigns"]

[Text] The complete leadership of the biggest political party of the Albanians in Macedonia, PDP [Party for Democratic Prosperity], has resigned.

The resignation was given [word indistinct] at the conference of the Central Presidentship in Tetovo, in front of a parliamentary group of and PDP members of the Macedonian Government and was preceded by refusal of obedience by the [words indistinct] the party, followed also by the one in Tetovo.

At the conference members discussed preparations for the next urgent meeting, activities of PDP branches in the preparations, and the situation in the party. They also discussed the latest comment by the Albanian national news agency ATA, which qualified three members of the party's leadership as "quislings" of the Albanians in Macedonia, and "obedients" of the Macedonian Government. PAP members defined the statement as having no grounds, and as destabilizing the situation in the party. The conference adopted a resolution that preparations for the urgent assembly is to be led by the party's committee, aided by presidents of the party's branches from the whole country.

Presence of UNPROFOR Aids Local Economy

AU0612182793 Skopje VECER in Macedonian 6 Dec 93 p 6

[Report by S. M. Vankova: "Crumbs, but in Dollars!"]

[Text] Thanks to the winter, Macedonia will have the opportunity to profit from UNPROFOR's [United Nations Protection Forces] stay in the country. Namely, the bad situation on the roads due to the snow complicates the arrival of their suppliers' convoys from Croatia, so, last week, the UNPROFOR command in Skopje sent a letter to its logistics basis in Zagreb asking for permission to supply the peacekeeping forces with necessary materials and foodstuffs in Macedonia.

If a positive answer arrives from Zagreb, in the opinion of Mr. Kay Virren, chief administrator of the UNPROFOR command in Macedonia, approximately $250,000 will be spent, each month, in the country. This was a good occasion for working out the economic effects after the deployment of the UN peacekeeping forces in Macedonia.

Investments

At the very start, the United Nations spent about $50 million as the initial sum for creating conditions and for the arrival of the peacekeeping forces in the Republic. Since their deployment, a certain sum of money is flowing in regularly (almost all in hard currency), which, knowing the situation in Macedonia, is very warmly welcomed. However, the possibilities are limited, knowing the deficit in the United Nations funds and the old norms and regulations under which the world organization has been functioning since 1974.

"First of all, we have 1,100 members staying in Macedonia, who receive their salary and spend it on accommodation, food, clothes, theaters, cinemas..." Mr. Virren said. "On our arrival, we employed 50 new workers, thus we provided a higher standard of living for 50 Macedonian families. However, my opinion is that the greatest economic effect from our stay in Macedonia is the permanent services and products we use from a number of your companies for the needs of UNPROFOR, which we pay for in hard currency. There is, first of all, the money we spend on fuel for the great number of vehicles we have. No matter how hard we try to save, we are forced to invest in order to create the basic conditions for work in our camps. The latest large investment was the construction of the U.S. camp, for which great a quantity of constructing material was used. We were also compelled to build or finish building several roads in our regions of responsibility in order to establish normal communications with our observation points."

Dollars in a Bag

Although seemingly minimal, the stimulus is not that meaningless for the exhausted Macedonian economy. Moreover, it has to do with a dollar injection. According to Virren, despite the restrictions, such kinds of investments will also be made in future, because they are an integral part of the UNPROFOR stay in Macedonia. Unbelievable. The money for these investments and for all other needs of UNPROFOR are collected from the Zagreb banks in Graz, and they are brought into the country in a—bag!

"In our contacts with your banks we are always suggesting that they open international bank accounts, so that we can transfer our money directly from Graz, which is a more suitable solution for us, too. We also insist on raising hard currency from the banks, because it is then easier for us to cover the expenses of the companies we cooperate with," Mr. Virren claimed.

Beside the effects of dollars, in Mr. Virren's opinion there is another no-less valuable element. The supply services of the UNPROFOR command are always striving to get the best quality for the least money, thus giving an impetus to competition, which represents an important component of the market economy.

[Box, p 6]

Confirming the recent 25 percent decrease in UNPROFOR members salaries in Macedonia, Mr. Virren explained that this correction occurred because of a late monitoring in the local salaries and expenditures, which is a usual practice in establishing UN missions. He also added that, according to what he has heard, he would not agree that life in Macedonia is cheaper.

"I pay much more for my calls to Sweden from Skopje than from Zagreb. Air tickets are also more expensive. The price of foodstuffs is nearly the same, with the exception of your good wine, which is much cheaper. I can see that inflation is rising and I suppose it is as a consequence of the sanctions against Yugoslavia."

MILS-NEWS Profiles New Church Leader

AU0712091593 Skopje MILS-NEWS in English 6 Dec 93

[Unattributed report: "Macedonian Head of Church Elected"]

[Text] Father Mihail, metropolitan of Povardarje, is the new head of the Macedonian Orthodox Church. Out of all 91 delegates from all eparchies, 53 voted for him. The new head is the fourth consecutive leader of the church, after its revival in 1967, and is the oldest bishop in the Macedonian Orthodox Church. He was born in 1912, graduated theology, worked as a priest, then as rector of the High School of Theology, and oratory professor at the Theology University. He was promoted to metropolitan in 1989. Speaks English, French, and Russian. He took part in World War II, as priest in Skopje, and was one of the initiators for a revival of the Ohrid eparchy. He has been prosecuted for his ideas for national, social, and spiritual freedom of the Macedonian people and its uniting.

Right after the elections, he stated: "I do not represent and mean anything by myself, without my brothers, the bishops, and the metropolitans of the Macedonian Church.... The church is not constituted only by us, the bishops, priests, and deacons, it is consisted of the whole Macedonian people." [sentence as received]

Prime Minister Branko Crvenkovski was also present at the ceremony, together with the vice president of the government, the president of the committee for relations with religious communities, Risto Ivanov, Parliament Vice President Kiro Popovski, the president of the Macedonian Emigrants' Cultural Association, Dr. Dimitar Keramitciev, the vice president of the Assembly of the Islam community in Macedonia, Haji-Effendi Avni Dervisovski, and other guests.

Macedonian President Kiro Gligorov and Parliament President Stojan Andov sent telegrams of congratulations to Bishop Mihail on his being elected head of the church.